延長石油國際有限公司
YANCHANG PETROLEUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)
Stock Code: 00346



2025
Environmental, Social and Governance Report

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1. OUR REPORT

1.1. Overview

This Environmental, Social and Governance Report (the "Report") provides information on the corporate social responsibility performance of Yanchang Petroleum International Limited (the "Company") (HKEX Stock Code: 00346) and its subsidiaries (collectively, the "Group") in relation to environmental, social and governance matters (the "Report") for the period from 1 January 2025 to 31 December 2025, as well as information on climate-related performance, risks, opportunities and policies. The Report has been adjusted and prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and the disclosure requirements of International Financial Reporting Standards ("IFRS") S2.

1.2. Scope of the Report

The Group is in the oil and gas industry, and engages in business activities in both the upstream and downstream sectors. The upstream sector includes activities of exploration, development and exploitation of oil and gas. The downstream sector involves oil and byproducts trading and distribution activities. The scope of this Report covers the relevant operational information of the core business of the Group and the core revenues contributed by the subsidiaries:

- Novus Energy Inc. ("Novus") – a Canada incorporated company operating oil and gas exploration, development and production of petroleum and natural gas; and

- Henan Yanchang Petroleum Sales Co., Limited ("Henan Yanchang") – a China incorporated company that engages in the wholesale, retail, storage and transportation of refined oil, and the relevant by-products and chemical products

1.3. Reporting Principles

The Group has taken into account the following reporting principles in the preparation of this Report:

- Materiality: The Group identifies the material ESG issues through the results of interviews with management and surveys targeted at internal and external stakeholders, as well as evaluating the impact of various ESG issues on the operations of the Group. Please refer to the section headed "Materiality Assessment" for more information.

- Quantitative: The Report would perform an annual performance comparison with suitable quantitative data recorded and estimated by relevant departments of the Group when applicable, and state the information of the standards, methodologies, assumptions and/or calculation references wherever appropriate.

- Balance: The source of information and cases within this Report were mainly derived from the Group's internal statistical data, relevant documents and communication documents. The Group undertakes that there are no false statements or misleading representations in the Report, and makes the fair disclosures on critical aspects of our performance, in terms of the progress made and continuing challenges that we are dealing with.

- Consistency: We have followed the ESG Reporting Guide for reporting and have endeavoured to ensure consistency in the content of this Report. In the event of inconsistency, including any changes in reporting scopes and/or methods of computation for key performance indicators, the Group will explain in this Report.

1.4. Feedback Mechanism

Your views and suggestions give impetus to our continuous improvement. We hope you can provide us with your valuable comments in the following ways.

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2. SUSTAINABILITY DEVELOPMENT GOVERNANCE

2.1. ESG Statement of the Board

In today's global business environment, ESG has become a core driver of corporate sustainability development. The Group not only regards ESG as a contractual obligation, but also as a strategic driver for enhancing competitiveness, fulfilling social responsibility, and protecting environment. We have set up an effective and dynamic framework in relation to ESG and climate management, it is to ensure full integration of such principles into decision-making and operational process, so as to create long-term value for stakeholders. The governance framework strictly follows the latest ESG Reporting Guidelines announced by the Hong Kong Stock Exchange in the integration of factors of climate management, with reference to the IFRS S2 framework, to manage climate risks and opportunities systematically.

ESG and Climate Governance Directions and Approaches

We consider greenhouse gas emissions, energy efficiency, waste management, health and safety, employee development, supply chain responsibility, and anti-corruption as core ESG issues, with setting climate change as a top priority. These cover physical risks such as extreme weather events and transitional risks such as carbon pricing, policy changes, and low-carbon market transitions.

An effective ESG management brings a variety of benefits, such as steady growth, cost reduction, risk control, enhancing brand image, financing advantages, and a green image, while ensuring strict compliance with the twin goals of carbon peak and carbon neutrality of China and environmental regulations in Canada.

The management of ESG and climate is led by the Board of Directors directly and implemented by the senior management. The ESG working group is to ensure the implementation of works, such as emission reduction project of Novus and the energy-saving measures Henan Yanchang.

ESG Materiality Assessment: Identifying key issues

Through stakeholder engagement and systematic assessment, we identified high-importance issues, including health and safety, product responsibility, and labour standards. Based on the results, we set specific targets, such as improving safety performance and regular oversight of progress, to allow full alignment of strategy and actual impact.

ESG and Climate Risk Management: Strengthening resilience

Climate risk is a main focus of governance. We consolidate scenario analysis, quantitative sensitivity testing and qualitative assessment to identify and prioritize potential threats, such as increasing carbon taxes and production disruptions due to extreme weather). We take specific measures, including disaster contingency plans, flood drills, and reducing emissions of natural gas pipelines. Climate management is integrated into the risk framework which is directly overseen by the Board of Directors and set up according to the four pillars under IFRS S2.

ESG Opportunities: Taking opportunities of low-carbon transformation

ESG is not only a challenge, but also an opportunity. We are actively exploring the possibility of carbon credits, carbon emissions, carbon sequestration and low-carbon development, green supply chains and energy efficiency improvements, while improving employee welfare, to enhance internal capacity and support the Group forge ahead in the Net-Zero Era.

Board Diversity: Diverse perspectives driving excellent decision-making

The polices of the Board cover a variety of aspects, including gender, age, nationality, professional background, and experiences on ESG. Gender diversity has been achieved currently and further scopes of diversity for improvement in future, in order to bring comprehensive and forward-looking perspectives into climate strategy and sustainable decision-making.

Stepping towards a green, resilient and inclusive future

Looking ahead, the Group will continue to optimize its ESG and climate governance framework, gradually promote the low-carbon transformation and efficiency of its oil and gas business, closely monitor market dynamics of energy, changes in carbon-related policies and climate scenario analysis results, and flexibly adjust its production, supply chain and investment strategies.

We will optimize the use of our natural gas and emission reduction measures, and assess the feasibility of carbon capture and storage technologies to gradually reduce emission intensity, thereby satisfying the twin goals of carbon peak and carbon neutrality of China and environmental regulations in Canada. Meanwhile, we will actively take opportunities from the low-carbon transition, such as improving energy efficiency, optimizing green supply chains, and exploring related technology investments, to strengthen our business resilience and long-term competitiveness.

The Board will continue to assess the progress and look into scenario analysis in future reports, in order to disclose the quantitative financial impacts step by step. Please refer to the sections headed "Strategy and Scenario Analysis", "Risk Management" and "Indicators and Targets" this report for details. By taking practical action, the Group is moving towards a greener, more resilient and inclusive future, thereby achieving a balanced development of economic, environmental and social responsibility.

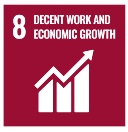
The Group responds to the ten principles on human rights, labour, environment and anti-corruption of the United Nations ("UN") Global Compact and strives to make the principles part of our business strategy, corporate culture and daily operations.

UN Global Compact	Current Situation of the Group
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	The Group strictly abides by the laws, regulations and rules of the nation and the countries where it operates. We support human rights in the workplace and in the community, and strive to improve and respect globally recognised protection of human rights and effectively safeguard the legitimate rights and interests of employees.
Principle 2: Businesses should make sure that they are not complicit in human rights abuses	The Group promises not to involve in any human rights violations.
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	The Group understands the importance of employees' opinions. Employees are entitled to the freedom of association and the right to collective bargaining.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	The Group respects human rights in the workplace and will never tolerate any form of forced and compulsory labour.
Principle 5: Businesses should uphold the effective abolition of child labour	The Group strictly prohibits hiring of any child labour. It checks the original copy of the identity documents and academic certificates of newly joined staff as a dual-verification approach to prevent child labour.
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	The Group upholds diversity and non-discrimination. We eliminate discrimination in race, nationality, religion, disability, gender, education, etc. We provide equal opportunities and prohibit both tangible and intangible sexual harassment, bullying and discrimination in the workplace.
Principle 7: Businesses should support a precautionary approach to environmental challenges	The Group has incorporated issues such as climate change into its risk management system to reduce environmental risks and seize opportunities.
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	The Group aims to refine its business operations to be more environmentally sustainable. We are taking steps to mitigate the impacts on the environment brought about by our operating processes.

UN Global Compact	Current Situation of the Group
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	The Group strives to explore opportunities for using environmentally friendly technologies in our business operations.
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	The Group emphasises the importance of anti-corruption in the supply chain. We strictly comply with relevant laws and regulations, such as competition laws, anti-bribery laws and personal privacy protection laws. In addition, trainings are organised to enhance employees' awareness of compliance with the law.

We continue to support the 2030 Agenda for Sustainable Development and the Sustainable Development Goals issued by the United Nations. In response to the universal call by the United Nations Member States, the Group aligns its sustainability strategy with the United Nations Sustainable Development Goals ("SDGs"). It actively promotes the realisation of the global sustainable development goals, and is committed to eradicating poverty by 2030, protecting the earth and ensuring a peaceful and prosperous world for all. For more details on the SDGs, please visit https://sdgs.un.org/goals.

ESG category	ESG issues	Relevance to business operations	UN's Sustainable Development Goals
Environmental protection	Pollution Control Making Good Use of Resources Green Operation Fighting Climate Change	The Group is committed to improving resource efficiency, addressing climate change and using innovative technologies. We strictly abide by environment related laws and regulations, and actively improve the environmental performance of our operations. The Group devotes to build a sustainable city and community.	 Clean Water and Sanitation  Affordable and Clean Energy  Responsible Consumption and Production  Climate Action

ESG category	ESG issues	Relevance to business operations	UN's Sustainable Development Goals
Employment and Labour Practices	Equal Employment	The Group is committed to creating a people-oriented working environment. We promote multiculturalism and value health and safety. We actively cultivate talents, provide appropriate support and equal opportunities, and support the positive development of our employees.	 Gender Equality  Decent Work and Economic Growth
	Occupational Health and Safety		 Reduced Inequalities  Good Health and Well-being
	Training and Development		 Gender Equality  Decent Work and Economic Growth
	Protection of Rights and Interests		 Reduced Inequalities

ESG category	ESG issues	Relevance to business operations	UN's Sustainable Development Goals
Operating Practices	Supply Chain Management	The Group is committed to building a sustainable supply chain that strikes a balance in terms of environment, society and governance. We take the initiative to establish long-term and mutually beneficial partnerships with suppliers, strengthen communication and implement management.	 Partnerships for the Goals
	Information and Product Security	The Group has always adhered to the concept of putting customers first, and is committed to providing quality products and services that exceed customer expectations. We keep the same pace with trend to understand customer needs, safeguard customer rights and protect their health and safety through innovative technologies.	 Good Health and Well-being  Industry, Innovation and Infrastructure  Responsible Consumption and Production
	Corporate Governance	The Group advocates integrity and ethical operations. We adopt a zero tolerance approach towards any form of corruption, and are committed to complying with all relevant anti-bribery regulations in different jurisdictions.	 Peace, Justice and Strong Institutions

ESG category	ESG issues	Relevance to business operations	UN's Sustainable Development Goals
Community	Giving Back to Community	The Group is attentive to the needs of the communities in which we operate. We invest in encouraging sports for charity, supporting the underprivileged, promoting education and holistic development, to create a positive impact on the society.	 No Poverty  Good Health and Well-being  Sustainable Cities and Communities

2.2. Development of Climate-related Capacity

The Board of Directors generally possesses the necessary skills for monitoring the Group's climate-related risks in an effective way, with an aim to seize the opportunities. Other than existing professional expertise, its important for the Board to continue learning and development to enhance its sustainability skills. In view of this, the Board and the management team continuously share and exchange views on environmental, social, and governance issues, including the impact of climate-related risks.

To enhance the expertise and capabilities in climate change and sustainable development across the Group, we strive to conduct relevant trainings. In this year, we actively participated in various trainings and seminars organized by professional organizations, such as trainings on the Stock Exchange's new climate information disclosure requirements, to improve the understanding, interpretation, and implementation of the new climate requirements, which leading to the effective guidance of the Board and management in the Group's sustainable development strategy.

3. STAKEHOLDER ENGAGEMENT

3.1. Communication with Stakeholders

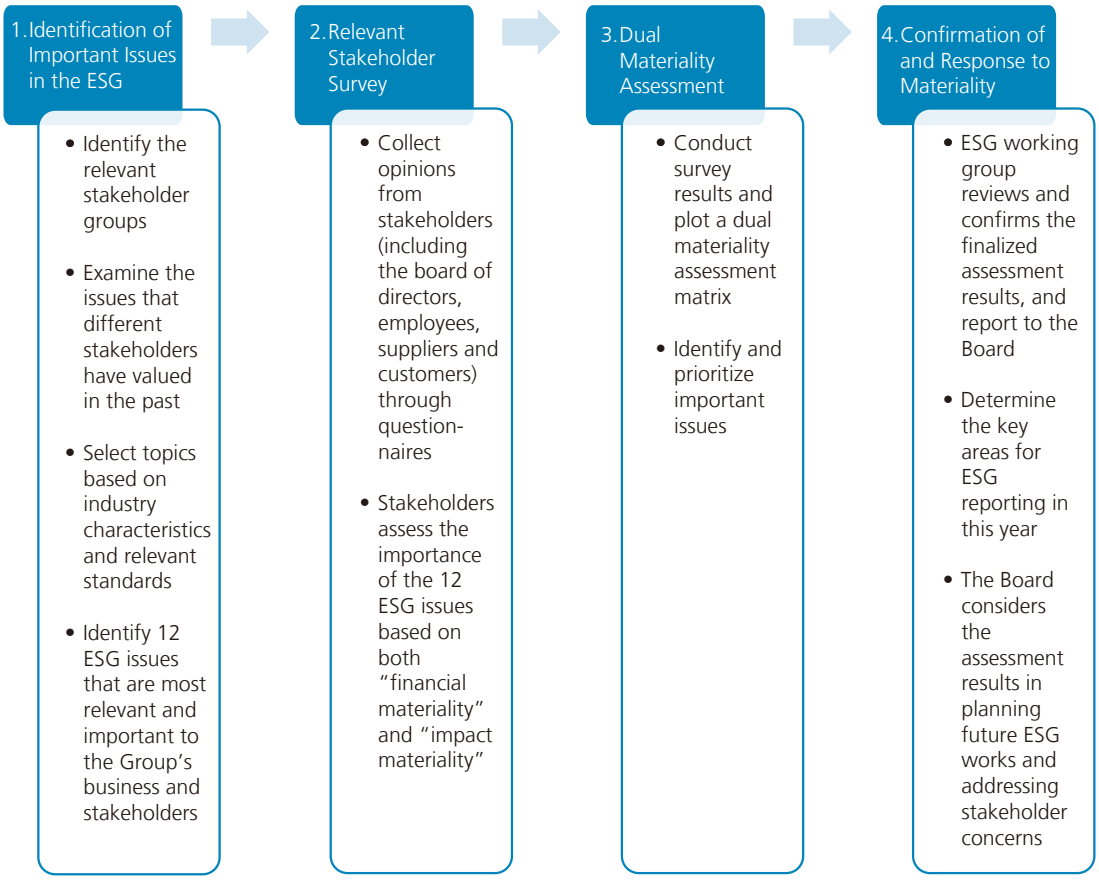
The Group is very conscious of the views of stakeholders. We have been in touch with stakeholders through different channels in order to understand and address the issues that are crucial to our long-term success. The operating data and overall performance of the Group will be summarised in the annual report and interim report of the Company every six months, and presented to different stakeholders via our company website www.yanchanginternational.com.

The ways in which we interact with stakeholders are summarised below.

Stakeholders	Major Communication Channels
Shareholders	• Company's website (www.yanchanginternational.com) • Annual and interim reports • Annual general meeting and other shareholder's meetings • Press releases, announcements, financial information and other information related to the Company and its business
Employees	• Orientation training and internal training • Recreational activities • Announcements, intranet and emails • Meetings • One-to-one meeting
Clients	• Company's website (www.yanchanginternational.com) • Telephone calls • Regular meetings
Suppliers and Contractors	• Tendering process • Regular meetings
Community	• Participation in community welfare activities • Consultations

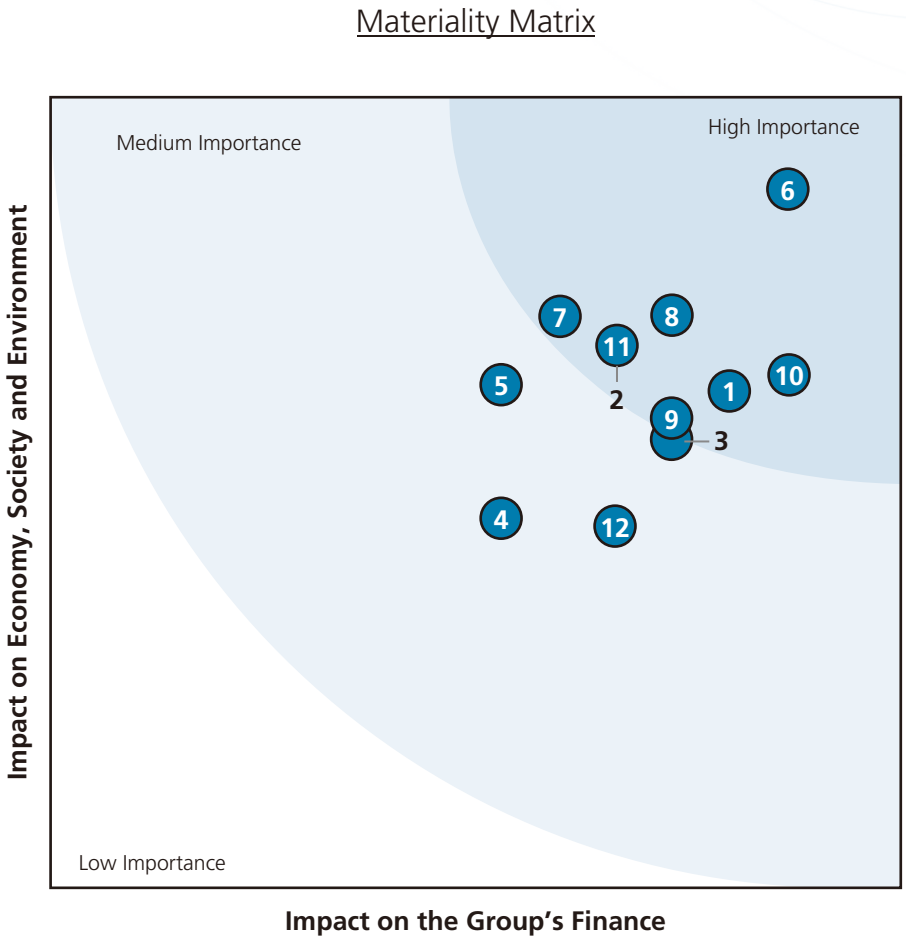
3.2. Double Materiality Assessment

To satisfy the sustainable business practices, the Group communicates with stakeholders annually to gather feedback and conduct comprehensive materiality assessments, in order to ensure prioritized ESG strategies being considered by the Group. In the reporting year, the Group voluntarily adopted its first dual materiality principle for stakeholder participation. In the course of materiality assessment, we evaluated both the economic, social, and environmental impacts of the Group's operations, while considering the financial impacts of various ESG issues on the Group's operations, in order to fully address the concerns of different stakeholders about ESG and disclose the Group's ESG development direction. To effectively disclose closely related sustainability issues of key stakeholders, the Group's directors and ESG working group conducted their first internal assessment to select highly relevant issues of the Group's business and identify key stakeholders. Subsequently, we invited key stakeholders to participate in a materiality assessment, to collect their feedback through questionnaire. The questionnaire covered 12 ESG-related issues, and respondents rated each issue on a scale of 1 to 5 based on respective impact on the Group's operations, the materiality, and the level of concern of relevant stakeholders. This materiality assessment aims to collect qualitative and quantitative opinions to provide the Group with a reasonable basis for prioritizing the importance of relevant sustainability issues. The diagram below illustrates the Group's specific assessment steps:



3.3. First Dual Materiality Matrix of the Group

The Group's "Dual Materiality Matrix" displays the relative ranking of 12 important issues based on their financial impact on the Group (X-axis) and their impact on the economy, society and environment (Y-axis). Issues located in the upper right corner of the materiality matrix are considered important by the Group and other stakeholders.



Note: The scores of all the issues shown above are 3 or above according to the survey results. In order to show the relative distribution of each issue in a clearer manner, no issues with the score below 3 are shown in the chart above.

The health and safety and the environment and natural resources were simultaneously identified as the most important issues in stakeholder engagement and importance assessment. However, all issues are above the critical line of importance (that is, the importance to the Group and its stakeholders is above 3.0), and therefore must be disclosed in the upcoming ESG report.

The table below summarizes the most important ESG issues expressed by different stakeholders.

Environment		Social		Governance	
1	Emissions	5	Employment	9	supply chain management
2	Use of resources	6	Health and Safety	10	Product Responsibility
3	Environment and Natural Resources	7	Development and Training	11	Anti-corruption
4	Climate Change	8	Labor Standards		
		12	Community Investment		

4. ENVIRONMENTAL PROTECTION



Clean Water and Sanitation



Affordable and Clean Energy



Responsible Consumption and Production



Climate Action

Management approach and policy

We are well aware that the oil and gas industry could have a potential impact on the local environment. Therefore, we remain committed to practicing environmental protection and sustainable development, and pay attention to the problem commonly faced by the international community and the global environment, leading to a reduction of the environmental burden. Review whether our business operations give rise to any waste, thereby increase the added value of resources. Work with stakeholders to ensure compliance with environmental standards and regulations. Improve business practices to reduce energy consumption, emissions and wastes. Create sustainable value by balancing economic development and environmental protection. Adhere to environmental protection, sustainable development and social responsibility, and continuously improve environmental management to realise an environmentally sustainable future.

The Group strictly complies with all applicable environmental laws and regulations, such as the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Policies and Regulations on Environmental Management of Solid Wastes, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes and Environmental Safety Protection and Management System. There was no prosecution case involving the Group in respect of any environmental law during the reporting period.

4.1. Directional Targets on Environmental Protection

To fulfill the corporate social responsibility, the Group proactively implements environmental protection in its daily operations to ensure environmentally responsible operations, prevent pollution and reduce resource consumption, and sets the following targets to control the impact of our operation on the environment.

Environmental targets	Directional description	Measures taken during the ear
Energy efficiency	Adopt new technology and equipment	Henan Yanchang has installed oil and gas recovery systems in oil depots and gas stations respectively so as to further reduce and control exhaust emissions.
Reducing wastes	Reducing waste paper	Electronic operation and document management are strengthened to reduce paper consumption.
Water efficiency	Better water management	Henan Yanchang collects rainwater for irrigation, and regularly monitors and promptly replaces the equipment to prevent leakage. Novus recycles the reclaimed water in the oil field production site to achieve zero water consumption.

4.2. Pollution Control

Environmental protection has become an important issue of global concern. As a responsible organisation, we are fully aware of the importance of reducing pollution and controlling emissions in maintaining ecological balance and sustainable development. We are therefore committed to formulating and implementing a series of emission management measures to minimise the adverse impact on the environment. In this Report, we would like to introduce the measures we have taken in emission management and their effectiveness.

Exhaust emission management:

To reduce exhaust emissions, Henan Yanchang has installed oil and gas recovery systems in oil depots and gas stations, which effectively control and reduce hazardous gas emissions. At the same time, we regularly carry out maintenance for the equipment to improve the operating efficiency and further reduce exhaust emissions. Moreover, we engage third-party testing institutions for testing the system every year to ensure the gas emissions in compliance with the Atmospheric Pollution Prevention and Control Law of the People's Republic of China and the Ministry of Industry and Information Technology's Guidance on Energy Conservation and Emission Reduction in the Petrochemical and Chemical Industries.

Management of non-hazardous wastes:

We are well aware of the potential threat to the environment posed by non-hazardous wastes, which is why Novus has developed a waste management strategy. During the period of work at remote location, we ensure that the office is clean and that all recyclable materials are disposed of properly. We also implement a paperless office to minimise waste. For non-hazardous wastes generated from the production sites, we would recycle and reuse it as fertiliser to recycle resources. Meanwhile, both Henan Yanchang and Novus place waste recycling bins to classify and properly dispose of recyclable wastes and prioritise environmentally friendly products to reduce the use of disposable products.

Management of hazardous wastes:

For hazardous wastes, we have drawn up the health, safety and environment ("HSE") Inspection Management as well as the Environmental Safety Protection and Management System in strict compliance with regulations. We sort and collect hazardous solid wastes and entrust a unit with relevant qualifications for professional treatment. We not only comply with the laws and regulations on the disposal of hazardous wastes, but also endeavour to go beyond the basic requirements to find more environmentally friendly and sustainable solutions.

Management of waste water discharges:

We attach importance to the management of waste water discharges to ensure compliance with relevant regulations and standards. During the production process, we have established a waste water treatment system to collect and treat waste water for reuse. This helps to reduce the demand for water resources and minimise the negative impact on the environment. Where necessary, we transport waste water to specialised treatment facilities for cleaning and treatment to ensure compliance with environmental standards.

Continuous improvement:

We believe that environmental protection is a continuous process and we constantly strive to improve our emission management practices. Through regular internal audits and evaluations, we ensure that best practices are adopted and that our strategies are updated in line with the latest scientific and technological developments. At the same time, we work with relevant stakeholders to seek consensus and cooperation in advancing our environmental goals.

Below are the Group's emissions of each pollutant in the reporting year:

Pollutant	**Unit**	**Novus 2025**	**Henan Yanchang 2025**
Nitrogen oxides (NO_x)	Kg	3.01	185.87
Sulphur oxide (SO_x)	Kg	–	0.25
Particular matters (PM)	Kg	0.22	17.63

Note: The calculations were based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange.

4.3. Making Good Use of Resources

The Group continues to double our efforts to ensure prudent use of resources by implementing strict resources management policies, to manage energy savings, water consumption and raw material usage, to increase resource efficiency and reduce waste.

Energy-saving measures

As a socially responsible company, the Group always adheres to the business philosophy of "green operation, energy conservation". Novus and Henan Yanchang continue to implement a number of energy-saving measures, including use of environmental protection equipment and implementation of administrative measures:

- Environmental protection equipment: Novus uses scheduled power on/off settings to manage the operating time of mechanical equipment, in order to save standby power consumption and unnecessary electricity expenses. The settings enable automatic power cut-off when not in use, which can also ensure the safety of electricity use. For lighting fittings, Henan Yanchang uses energy-saving luminaires such as LED fixtures, to reduce greenhouse gas emissions caused indirectly by the energy;

- Administrative measures: Novus continues to optimise the power usage of oilfield production sites based on the results of cost analysis. Henan Yanchang formulates the Implementation Plan for Increasing Revenue and Saving Expenditures to govern the measures for save electricity and water. We examine the status of each of our equipment on a regular basis so that repairing and maintenance works can be conducted in a timely manner, hence, the energy waste due to ageing machinery can be reduced.

Water-saving measures

Water is one of our most important natural resources. In order to cherish the precious water resources, the Group makes every effort to maximise the water resources used in its business operations. We have actively introduced the concept of water conservation to our staff and reinforced the maintenance, inspections and management of water consuming equipment, with an aim to achieve the objective of water conservation. Similarly, Novus and Henan Yanchang have adopted water-saving measures including use of environmental protection equipment and implementation of administrative measures:

- Environmental protection equipment: Both Novus and Henan Yanchang have wastewater treatment facilities in place to treat generated wastewater. The treated wastewater is recycled and reused through reclaimed water systems, whereby it is supplied to the water circulation systems of cooling equipment, thereby reducing the consumption of fresh water.

- Administrative measures: Both Novus and Henan Yanchang will carry out inspections in their water-consuming areas from time to time to prevent water wasting due to facility damages. They will also monitor and analyse its monthly water consumption condition on a regular basis for formulating more effective water conservation plans and measures to ensure that its water conservation goals will be achieved.

Set forth below are the total consumption and intensity of major resources of the Group during the reporting year:

Type of Energy	Unit	Novus 2025	Henan Yanchang 2025
Total energy consumption	kWh	4,060,252.31	936,847.52
Total energy consumption intensity	kWh/Production unit ('000)	7,491.70	394.51
Direct energy consumption	kWh	753,666.31	170,125.52
Direct energy consumption intensity	kWh/Production unit ('000)	1,390.61	71.64
Indirect energy consumption	kWh	3,306,586.00	766,722.00
Indirect energy consumption intensity	kWh/Production unit ('000)	6,101.08	322.87
Renewable Energy Consumption	kWh	113,145.56	Not applicable
Renewable Energy Consumption intensity	kWh/Production unit ('000)	208.77	Not applicable
Direct energy consumption includes:			
Fuel consumption	kWh	23,473.52	170,125.52
Fuel consumption intensity	kWh/Production unit ('000)	43.31	71.64
Gas consumption	kWh	617,047.23	Not applicable
Gas consumption intensity	kWh/Production unit ('000)	259.84	Not applicable
Indirect energy includes:			
Electricity consumption	kWh	3,306,586.00^	766,722.00
Electricity consumption intensity	kWh/Production unit ('000)	6,101.08	322.87
Renewable Energy includes:			
Methanol fuel consumption	kWh	113,145.56	Not applicable
Methanol fuel consumption intensity	kWh/Production unit ('000)	208.77	Not applicable

^ Novus improved its electricity data collection methods in reporting year 2025 to provide more comprehensive coverage of its entire business operations. As a result, natural gas consumption and electricity generation increased compared to the previous year.

Notes:

The conversion of the energy data unit to kWh is based on the lower heating value announced by International Energy Agency;

Direct energy consumption includes fuel consumption (diesel and gasoline consumption), gas consumption (natural gas);

Indirect energy consumption refers to electricity consumption;

The production unit of Novus is BOE (barrel of equivalent), and the production unit of Henan Yanchang is ton.

Resources	Unit	Total Consumption	
		Novus 2025	Henan Yanchang 2025
Water consumption	m^3	Not applicable	10,437.00
Water consumption intensity	m^3/Production unit ('000)	Not applicable	4.40

Notes:

Water used by Novus is handled by contractors, so there is no relevant record;

The production unit of Henan Yanchang is ton.

4.4. Green Operation

The Group proactively integrates environmental responsibility into its daily operations. In this regard, we have established the green office policy and the management measures of green operation to reduce environmental impact and the consumption of natural resources.

Environmental compliance monitoring

The Group conducts external environmental assessments and monitoring in accordance with applicable laws and regulations in the localities where our business operates, including boundary noise level and emissions of waste water, exhaust, dust and specified pollutants. By monitoring the environmental impacts of the business, the Group can implement necessary improvement measures in a timely manner. Novus conducts environmental impact assessments in respect of its drilling activities, including proposing recommendations to avoid, reduce and mitigate relevant impact, and provides and implements effective protective measures and complies with relevant conditions based on the assessment reports to minimise the impact of drilling activities on the surrounding environment. In addition, Novus also adheres to all the regulatory policies related to endangered species.

Management of natural resources

The Group's operation consumes much more paper as compared to other natural resources. Therefore, we have set up our company email, adopted enterprise resource planning (ERP) system and human resources system, and developed network communications through creating corporate WeChat groups. Meanwhile, we have also established a file server for storing all internal information and statistics, which can be accessed by our staff with authorisation of the Company. By implementing the above control measures, it is believed that the use of paper can be reduced and a paperless office can be realised.

Green supply chain

All the provisions of environmental protection are included in the contract signed with our suppliers, and suppliers shall comply with environmental protection laws and regulations as well as the standards of the Group. The Group encourages sub-contractors to comply with environmental protection measures through posters and emails. Subject to the requirements of the Group, the Group gives priority to green product suppliers and the procurement of goods and services supplied by local suppliers.

Environmental promotion and training

The Group provides every new employee with environmental protection training for them to understand the requirements and standards of the industry and the Group on environmental protection. At day-to-day meetings, we remind and educate employees of our environmental protection efforts in order to ensure the implementation of all environmental measures. The site workers of Novus must participate in a leak accident drill organised by producers at the oilfield production site every year, and formulate a spill protocol together. Henan Yanchang organises environmental warning education and training for all employees via safety training platform during the reporting period.

5. CARING FOR PEOPLE



Gender Equality



Good Health and Well-being



Decent Work and Economic Growth



Reduced Inequalities

Management approach and policy

The success of our business depends on the untiring efforts and dedicated service of all employees. The Group understands that the recruitment, retention and cultivation of talents can help maintaining its market competitiveness. We have formulated a series of employment policies to ensure that employees are treated fairly and reasonably.

The Group strictly complies with applicable employment-related legislation in all of its operating locations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and the Social Insurance Law of the People's Republic of China in China, as well as the labour legislation in Canada, such as the Canada Labour Code, the Canadian Labour Standards Regulations, and the employment standards of its operating location in Canada, such as the Alberta Employment Standards, to create a safe, reliable and comfortable working environment with harmony and inclusiveness, under the common values of mutual understanding and respect, for the benefit of our employees and customers. We create an atmosphere of harmony and integration for our employees, to help them build and advance in their careers.

The human resources department reviews the internal policy regularly in order to comply with the local laws and industry standards.

Employee profile of three subsidiaries in the Year under review:

Category	Novus	Henan Yanchang
By gender		
Male	8	104
Female	7	58
By employment type		
Full-time	15	162
By age group		
18–30	1	20
31–45	6	109
45–60	8	32
60 or above	–	1
By region		
Mainland China	–	162
Hong Kong	–	–
Canada	15	–
Other regions	–	–

Overview of the employee turnover rate of the three subsidiaries in the Year under review:

Category	Novus	Henan Yanchang
By gender		
Male	7.29%	0.72%
Female	1.19%	0.86%
By age group		
18–30	8.33%	1.67%
31–45	5.56%	0.61%
45–60	2.08%	0.78%
60 or above	–	–
By region		
Mainland China	–	0.77%
Hong Kong	–	–
Canada	1.67%	–
Other regions	–	–

Note: The calculation was based on the Reporting Guidance on Social KPIs issued by the Stock Exchange

5.1. Equal Employment

Equal opportunity and diversity

We are committed to providing equal opportunities and promoting diversity. In the recruitment and selection procedures, we uphold the recruitment principle of "Possessing both integrity and talent, and giving priority to integrity" and comply with the relevant regulations of local operations. We hire the suitable person for the job on the basis of merit and in accordance with the principle of open and fair competition. Candidates will not be prejudiced due to their age, gender, sexual orientation, race, disability, marital status, pregnancy status, religion, political camp and referee, instead, candidates are assessed according to their knowledge, capability, morality and job-related skills only, to ensure that all candidates have equal access to employment opportunities.

We have a set of management policies for promotion and transfer of employees. The transfer or promotion of an employee's position is suggested based on business needs, and an appraisal will be conducted on the performance and individual qualification of such employee. The appraisal result will be reviewed by the human resources department and ultimately approved by the general manager. We encourage employee development and give priority to internal selection for hiring talents under the same conditions.

Remuneration and welfare

In terms of remuneration and welfare, we enter into employment contracts with our employees according to the local employment laws and regulations to protect employees' statutory rights and interests. We provide medical insurance and ensure minimum wages, and our employees are entitled to benefits such as paid holidays, sick leave, work-related injury leave and maternity leave. In addition, we have established a set of comprehensive remuneration system and annual salary adjustment system. Based on factors such as market conditions, performance and staff appraisal, the range of starting salary and salary adjustment for different ranks have been regularly assessed and adjusted to ensure that employees can be rewarded for their contributions and share the results of the Group. We also provide transport subsidies, flexible working hours (only for employees with a specific function) and holidays and family leave pursuant to relevant laws.

Protection of rights and interests

We attach great importance to the protection of employees' rights and interests. We have set up a rigorous and prudent dismissal process in accordance with applicable labour laws and regulations, such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and the Social Insurance Law of the People's Republic of China, as well as the labour legislation in Canada, such as the Canada Labour Code, the Canadian Labour Standards Regulations, and the employment standards of its operating location in Canada, such as the Alberta Employment Standards. An employment contract is terminated only if such employee has committed gross dereliction of duty or serious violation of laws and regulations or the rules and regulations of the Group.

Caring for employees

We care about the well-being of our employees. We recognise that employees who can join hands to fight for a common goal play a key role in our development, and that they are our family members who work together to achieve our common vision. Therefore, we remain committed to creating the "Delighted Company", and organising a variety of recreational activities to assist employees in easing pressure at work and promoting good employee relations, enhancing the bonding of employees and strengthening their sense of belonging. For example, we hold a birthday party for employees every month. In addition, we provide recreation rooms, farms and gardens within the Company's area for employees' enjoyment.

5.2. Occupational Health and Safety

Management approach and policy

The Group believes that occupational health and safety are important, so we strive to create the most suitable working environment for our employees. We develop and uphold the concept of "safety first" to achieve the goal of zero work accidents. In order to satisfy relevant laws, regulations and policy standards related to occupational disease prevention and control, and to strengthen the management of occupational disease prevention and control, the Group has instructed its subsidiaries to establish and implement occupational health and safety management system, and develop comprehensive safety management measures for preventing oil leakage and emergency plans.

During the reporting period, the Group was not aware of any cases involving material violation of local regulations related to occupational health and safety, or any situations involving our employees' loss of lives due to work. There have been no work-related fatalities in the past three years (including this year); nor have there been any lost working days due to work-related accidents.

Occupational health and safety policy

Novus has specifically prepared the "Drilling, Well Completions and Field Operator Handbook", to provide clearer guidelines to employees on managing a safe working environment. The occupational health and safety affairs have been arranged to designated staff responsible for reviewing and updating the occupational health and safety manuals and procedures on a quarterly and an annual basis respectively. Henan Yanchang has developed the Occupational Disease Prevention Management System, to assess the risks of occupational disease hazards in the workplace regularly, and take relevant prevention measures. Besides, the Major Hazard Sources Management Regulation and the Double Prevention Mechanism (including Risk Management System and Safety Risk Assessment Management System) have also been established, in order to identify major risks in Henan Yanchang.

Safety training

The Group actively promotes workplace safety culture. We provide employees with adequate training on occupational health and safety to keep up employees' awareness against workplace health and safety, thereby minimising work-related risks, preventing the occurrence of accidents in operation and reducing occupational hazards. All new employees should complete a series of pre-service safety training courses, which cover the learning of basic knowledge about occupational health, occupational health management regulations and operating process, the correct use of protective equipment, and emergency rescue measures, with a view to enhancing employees' awareness of safety and enabling them to identify the high-risk area in the workplace and work out solutions to lower work-related risks, prevent accidents in the course of the operation and reduce occupational hazards.

Incident response plan

Given the nature of the business, we prohibit employees from smoking, drinking or making phone calls in the workplace, especially in the gas stations. We regularly carry out safety checks and emergency drills. For example, in terms of potential risks due to emergencies like fire and power failure, the Group has set up a set of stringent measures and practices fire drills from time to time. All onsite workers are required to be aware of the emergency procedures, such as the use of personal protective equipment and rescue facilities.

5.3. Training and Development

Management approach and policy

The Group believes that acquisition of new knowledge and technology can enable the Group to maintain its competitiveness. We encourage our employees to be lifelong learners to grow together with the Group and foster a continuous learning culture to enhance the value of teams and the professionalism of employees, thus helping the Group sustain its success.

Training system

In order to assist our newly recruited employees to adapt to the Group's work culture and environment, the Group usually provides pre-employment introduction that provides knowledge to them about our corporate culture and code of conduct. Where there are other functional requirements for certain positions, including job skills (technology, customer service, sales skills, management skills, etc.), knowledge of new products and relevant safety knowledge, relevant environmental protection policies of the Company and anti-corruption/anti-graft, the Group will arrange the respective training sessions. To effectively equip new hires with the required job skills, we usually provide on-the-job training programs, under which experienced employees will guide new hires to improve their efficiency.

Novus' main operation is crude oil and gas production, the Group pays great attention to the knowledge and ability of front-line staff in terms of technology and safety. Therefore, Novus implements a Buddy-Mentor scheme under which a senior employee is appointed as the mentor for junior employees to provide guidance for them and share the experience with them, so as to ensure that employees on frontlines are all informed of proper mechanical operation procedures and familiar with the operation process, to achieve the goal of effective and safety production. Novus always encourages its employees to develop their job-related skills, and sponsors them to take external training courses if needed.

Henan Yanchang establishes Thursday as the Study Day on which internal study is carried out through classroom lectures and video learning with internal employees serving as training lecturers, so as to improve employees' skills for their work positions. As for management training on occupational safety and health, external professional lecturers will be engaged to provide training for employees.

During the Reporting Period, the percentage of trained employees in the Group and the average number of training hours per employee are as follows:

The percentage of employees trained (%)

Category	Novus	Henan Yanchang
By gender		
Male	53.33%	64.20%
Female	46.67%	35.80%
By employment type		
Senior Management	13.33%	3.70%
Middle Management	20.00%	9.88%
General Staff	66.67%	86.42%

Note: The calculation was based on the Reporting Guidance on Social KPIs issued by the Stock Exchange

Average training hours of employees in each category (hour)

Category	Novus	Henan Yanchang
By gender		
Male	33.00	15.67
Female	21.86	13.97
By employment type		
Senior Management	36.00	40.00
Middle Management	42.33	42.50
General Staff	21.80	10.86

Note: The calculation was based on the Reporting Guidance on Social KPIs issued by the Stock Exchange

5.4. Protection of Rights and Interests

Management approach and policy

The Group strives to protect the rights and interests of employees and establishes a fair working environment for employees. Therefore, the Group prohibits the employment of child labour and illegal labour, the use of forced labour in any form (including prison labour, indentured labour, bonded labour, etc.). Under no circumstances will the Group withhold the original identity card of an employee or require an employee to pay deposits or deduct an employee's wages against employment related costs and expenses, such as work visa, medical examination, work permit and fees charged by agents/recruitment agencies.

Preventative controls

During job recruitment, the Group will check every applicant's identity card and other valid documents for age verification to prevent use of child labour. We strictly verify the identification of each applicant to ensure that relevant information complies with local laws.

To prevent forced labour, the Group ensures that all employees work on a voluntary basis and that no forced work in any form, such as debt labour and involuntary labour, is involved. All employees have the right to resign under the reasonable notice period stipulated in the employment or labour contract. In case of any violation, the Group will immediately conduct an investigation. In addition, employees are permitted to move around freely within the workplace during work hours, and leave such workplace during the meal break and off-work hours on their own volition.

In case of an incident of child labour or forced labour, the Group will address and resolve the relevant violation in accordance with the local laws in the jurisdiction where such an incident takes place. During the reporting period, no case involving violation of the laws related to the employment of child labour or forced labour was identified by the Group.

6. OPERATIONAL COMMITMENT



Gender Equality



Good Health and Well-being



Decent Work and Economic Growth



Reduced Inequalities

6.1. Supply Chain Management

Management approach and policy

The steady development of the Group relies on the reliable support of its suppliers. To promote closer relation and cooperation with suppliers, the Group has set up flexible procurement standards to assess the details of suppliers and contractors according to tendering and quotation procedures, to ensure that they meet the internal requirements of the Group. We also inform our business partners about our principles and expectations, and establish an effective mechanism to ensure that the parties act in strict compliance with laws and regulations, in order to create a mutually beneficial and win-win relationship between supply and demand with suppliers, and contribute to the sustainable development of the industry and the society.

During the reporting period, there was a total of 673 suppliers with whom the Group was in business partnership. Amongst these suppliers, 611 suppliers were located in Cananda and the remaining 62 suppliers were situated in Mainland China. The Group's evaluation and management mechanisms was applied to these 673 suppliers.

Region	Number of suppliers
China	62
Canada	611
Other regions	–

Note: The above-mentioned suppliers are engaged in accordance with the Group's supplier engagement guideline.

Engaging suppliers

The Group enters into an entrustment contract based on such supplier's capabilities to, among other things, guarantee its products and quality management system and comply with legal requirements, and agrees on responsibilities and operating procedures. The Group adopts the equal, fair and open tendering process on procurement, and obtain quotations from at least three bidders for comparison. Subsidiaries of the Group have different requirements for various types of suppliers, but generally adopt the following supplier selection criteria:

For newly engaged suppliers, we carry out background check to gain an understanding of their background and governance performance in the past, and collect their corporate documents and records to evaluate their business compliance, technical capabilities, supply quality, timeliness of delivery, after-sales service, and verify their relevant certifications and professional qualifications, etc.

Supervisory controls

Our subsidiaries will put forward environmental and quality management requirements to suppliers, and regularly monitor how the suppliers manage to fulfill the requirements. The Group will require suppliers who exposed to related risks to improve their existing mechanisms and performance, and suspend the cooperation with unqualified suppliers, so as to ensure the quality, environment and safety of the supply chain are in line with the Group's policy. Under supply chain supervision, Novus regularly carries out quality assurance to the extent that all materials used by its suppliers satisfy Canadian Standards Association levels. Henan Yanchang adopts a highly transparent accountability mechanism for quality assurance that it carries out regularly inspection, periodically site-visits or seminars with suppliers to verify whether its requirements have been complied or not. Furthermore, each of the subsidiaries requires relevant employees to regularly assess suppliers' performance and conduct site surveys, and will suspend cooperation with suppliers who do not conform to the requirements.

Monitoring of environmental and social risks in the supply chain

The Group's assessment of suppliers covers their emissions to the external environment, pollution or other negative impact. Meanwhile, their operational compliance will be taken into consideration so as to assess the relevant social risks involving them, including employment compliance and safety compliance. Therefore, Novus engages authorised contractors with license and properly insured according to government databases to conduct drilling and oil production, and requires the contractors and suppliers to comply with its environmental and safety policy in the production of oil and gas. For the business of wholesaling, retailing, storing and transporting refined oil, Henan Yanchang requests suppliers and contractors to obtain corporate social responsibility awards or certificates, covering areas such as quality of products and services, environmental management and conscientious employer.

The Group requires all suppliers to comply with the Code for Suppliers prepared by the Group, and conducts annual assessments over such suppliers to confirm their continuing compliance with the requirements of the said code regarding their corporate social responsibility, product quality, and service commitments.

Procurement prioritised based on green applications

In accordance with the above-mentioned supplier selection criteria, the Group will give priority to materials, products and services that cause no significant environmental risks. Subject to operational requirements, priority will be given to targets based on the following standards:

i. selection of energy-consuming equipment that is certified as energy-saving or attached with an energy-efficient label;

ii. appointment of suppliers that have obtained environmental certification (e.g. ISO 14001);

iii. procurement of materials that contain environmental nature or certification; and

iv. procurement from local suppliers (to reduce greenhouse gas emissions from overseas transportation).

6.2. Production Management

Management approach and policy

The Group is committed to providing the highest standard of fuel products and services. Sound safety and quality management system is in place which helps us to prevent major accidents and supply quality products and services to meet customer requirements. In the course of operations, the Group strictly abides by national laws and regulations and industry quality standards to protect the basic rights and interests of customers.

During the reporting period, the Group did not have any reported case of product recall for safety or quality reasons and received no complaints.

Product safety

To ensure our products satisfy the safety standards of the industry and the nation, all petroleum products of the Group must be tested in accordance with the requirements for quality, safety and technical aspect. We only deliver products meeting quality and technical requirements to customers. Pursuant to the requirements of oil and gas distributors, the approved third-party certified institution would be engaged by Novus to conduct the analysis based on quality every year. Henan Yanchang sends oil samples to the laboratory for analysis according to the established sample quality testing procedures in compliance with national standards.

After-sales service

Customer satisfaction is always the key to the Group's success. We strive to improve the performance of the business in all respects. We are always committed to providing customers better than they expect, so that we facilitate communicating with our customers and collecting their valuable feedback, getting to know their needs so as to improve our products and services. Both Novus and Henan Yanchang have set up a feedback mechanism for customers to express their opinions through a variety of channels. The concerned department will follow up on the complaints and reply the follow-up results to the complainants.

Customer data privacy protection

In terms of customer's personal data and confidential documents, the Group manages customers data in accordance with the Personal Data (Privacy) Ordinance in Hong Kong and the applicable laws in the place where the business operates, and personal data collected and held are properly protected by us. Meanwhile, we also prohibit our employees from disclosing any confidential or proprietary information to third parties without authorisation. To prevent leakage of information, the Company has installed a protection system, and no employee could access data privately, unless they are authorised to do so.

All of our employees are required to comply with privacy policies regarding personal information and local regulations to protect customers' information. Such policies and requirements are included in the employee handbook and clarified to employees during the on-the-job training.

Where appropriate, relevant confidentiality requirements shall be negotiated and reached an agreement by the Group and suppliers or other business partners when entering into contracts.

Fair trading

The Group encourages the use of good promotion practices. Advertisements should not contain descriptions, claims or illustrations that depart from the truth. We will develop our sales and promotional documents in accordance with relevant laws and codes of practice to make sure that our promotional materials and advertisements are truthful, unbiased and sensible, without any misleading elements, so as to protect the interests of customers.

Intellectual property and copyright protection policy

We always attach great importance to intellectual property rights and the protection of these rights. To provide a fair competition environment, the Group has fully followed the standards and practices of the industry. The Company has established sound regulations on intellectual property protection. We also organise education and training on intellectual property for employees to raise their awareness of intellectual property protection and establish the concepts of innovation, integrity and intellectual property protection.

6.3. Corporate Governance

Management approach and policy

The Group has always been operating its businesses with integrity and ethics. We require all staff to adhere to professional and ethical standards, and set standards for staff behaviour. We do not tolerate any form of corruption, including bribery and extortion, fraud, and money laundering. As such, the Group has established an effective internal monitoring and management system to ensure that employees act with integrity, impartiality and honesty.

During the Reporting Period, no prosecutions were brought against its subsidiaries or any of their employees, in relation to corruption.

Culture of integrity

We have established a clear standard of conduct to guide our employees and partners, which provides rules and guidelines for dealing with gifts, treats, transactions, and financial management. Our subsidiaries have in place internal anti-corruption policies, including the Code of Business Conduct and Ethics of Novus and the "Management Policies for Executive Business Expenses" of Henan Yanchang that employees are required to comply. We have also formulated fair, open, and impartial procedures for product or service procurement and tendering to inhibit any potential corruption. In addition, the Company engages an independent auditor to conduct audits of the Group's financial statements, to ensure that such financial statements give a true and fair view and to strengthen internal financial controls, in order to protect the interests of the shareholders.

Whistle-blowing policy

In order to avoid corruption and fraud, the Company has established a whistle-blowing policy to encourage employees and other stakeholders to report any suspected improper or illegal behaviour anonymously by post, email and telephone. The Company will investigate and deal with the case after receiving malfeasance-related reporting. Investigations are conducted confidentially and there will be no retaliation against employees. The identity of the whistle-blower and any concerns raised or suspicious cases will be treated confidentially and every effort will be made to ensure confidentiality throughout the process.

The investigation is conducted by the chief executive officer (the "CEO") (if the CEO is involved, the case will be referred to the chairman) or any person designated by the directors of the Company, and the one who filed a complaint will be informed of the outcome of the investigation. Any person could file a complaint directly with the directors of the Company. Where there is evidence of criminal activity, solicitation and acceptance of benefits, or violation of legal and regulatory requirements, those responsible for internal investigations may have a statutory obligation to notify the relevant public or regulatory authorities, wherever applicable. The CEO should summarise complaints received and report any material cases to the audit committee of the Company in due course.

Promotion of and training on anti-corruption awareness

In order to strictly control risks, the Group continues to organise trainings for employees on integrity and anti-corruption to ensure that all employees understand the Company's policies related to anti-corruption and business ethics, and remind them of the importance of integrity and good faith. The anti-corruption training provided by the Group to employees covers topics such as the prevention bribery policy, conflict of interest declaration policy, prevention of extortion policy, prevention of money laundering policy, prevention of fraud policy, to enhance their awareness of business ethics.

7. GIVING BACK TO COMMUNITY

The Group believes that we are not only responsible for direct contribution to the society and economy, but optimise our operation and charity projects, to produce an overall positive impact on society. The Group actively takes part in various educational and cultural activities, and also welcomes cooperation with community groups that match the Group's corporate responsibility concept. We aim to respond to the social needs in culture, education and other aspects by supporting non-profit organisations through donation and sponsorship. Novus has been supporting the local community, especially the development of local culture and sports. Novus has already sponsored the local hockey teams for years. Henan Yanchang is committed to improving the employability of the local workforce, and gives priority to employing local workers to fulfill corporate social responsibility.

8. ADDRESSING CLIMATE CHANGE

According to the Global Risks Report 2016 issued in World Economic Forum, climate change is one of the major risks the businesses faced in recent years. The Group recognizes that greenhouse gas is a primary cause of climate change. The Group would allocate budgets where appropriate to improve facilities or technologies to reduce greenhouse gas or pollution emissions.

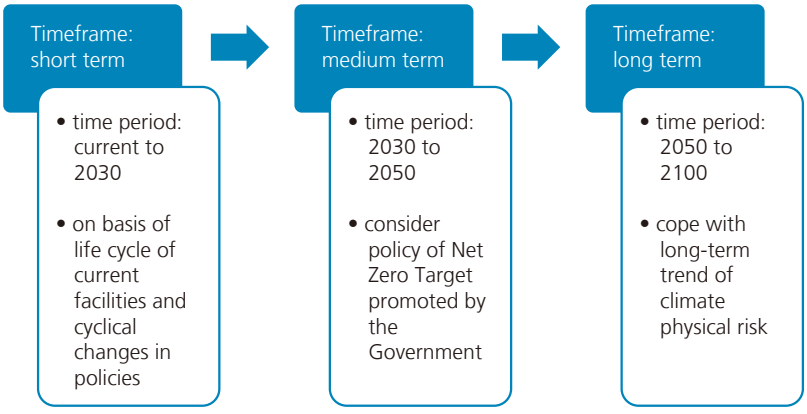
8.1. Climate Strategy

The Group believes that climate change is a critical issue that could have short-, medium- and long-term impacts on business operations, value chains, strategic decisions, and financial performance. Therefore, we are committed to conduct scenario analyses at different times to identify and assess climate-related risks and opportunities, in order to monitor and evaluate the potential impacts on the Group. Thus, the Group develops and applies specific measure and strategy of mitigation and adaptation, to reduce the negative impacts on the Group.

The Group conducted climate-related scenario analyses based two scenarios and three timeframes, to identify physical risks, transitional risks, and climate-related opportunities (as mentioned in Section 8.2.3). Physical risks include acute and chronic risks that could in short-term and long-term impact the Group's operations under extreme weather and climate change conditions. Transitional risks include regulatory, technological, market, and reputational risks arising from the implementation of stringent climate regulations and laws. Climate-related opportunities that the Group may encounter across the three different timeframes can be categorized into different areas, such as resource efficiency, energy resources, products and services, markets, and resilience.

8.2. Timeframe

The Group sets timeframe based on its industrial nature and climate objectives, to assess climate-related risks and opportunities, set targets and make strategic decisions, in order to ensure the timeframe set satisfying our comprehensive climate adaptation measures and direction. The timeframe is defined as follows:



8.2.1. Identification of Climate Risks and Opportunities

In accordance with the reporting framework of the Hong Kong Stock Exchange, the Group regularly conducts assessments of climate-related risks and opportunities based on detailed risk categories. On this basis, taking into account the Group's business conditions and development strategy, as well as the concerns of internal and external stakeholders, we analyze the short-, medium- and long-term impacts of each risk category.

Climate-related risks are classified under two main categories, i.e. risks related to the transition to a low-carbon economy and risks related to the physical impacts of climate change, as shown below:

Transition risks	Physical risks
• Policies and Laws • Technology • Market • Reputation	• Acute • Chronic

8.2.2. Climate Scenarios

The Group has conducted climate-related scenario analyses using the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report Shared Socioeconomic Pathways ("SSPs") and the International Energy Agency's ("IEA") Global Energy and Climate Model ("GEC") under different climate scenarios. These analyses assess the Group's climate resilience from both physical risk and transition risk perspectives.

The scenario analyses help evaluate the Group's overall adaptability to climate change and assist in identifying the potential impacts that climate change may have on the Group's business operations and financial position. Based on the analysis results, the Group is able to identify relevant risk exposures and management gaps, thereby formulating corresponding risk mitigation and adaptation strategies to enhance the overall resilience of the Group's business model and value chain, as well as its long-term sustainable development capability.

Conduct climate change scenario analysis	Assess the timeframe and extent of the impact of climate change on corporate operations
• Define two climate scenarios, i.e. low emissions and high emissions • Conduct analysis with public scenario models • Quantitative/qualitative parameters were obtained under the two scenarios respectively	• Assess the short-, medium-, and long-term impacts of climate-related risks and opportunities according to the scenario analysis results and based on the Group's business characteristics and geographical location

Principles of Scenario Analysis

To accurately assess climate-related physical and transitional risks, the Group uses a multi-scenario analysis framework to conduct a forward-looking assessment of the potential risks in the Group's main operating areas under global warming scenarios of 1.5°C and 3°C, with time spans over the short term (2030), medium term (2050) and long term (2100).

For physical risk assessment, we selected a representative scenario from the SSPs:

- SSP1–2.6: Represent proactive reduction of emission which is highly consistent with the 1.5°C temperature control target under the Paris Agreement;

- SSP3–7.0: Represent a scenario of intensified regional competition and high greenhouse gas emissions, which is used to address severe physical risks under high temperature increasing (nearly 3°C or above).

For transition risk assessment, we mainly made reference to two core scenarios under GEC model by the IEA:

- Net-Zero Scenario ("NZE"): outline the possible pathways to achieving net-zero emissions globally by 2050 and its profound impact on energy, finance, and industry, which in a way consistent with the Group's climate transition plan and carbon reduction commitments;

- Stated Policies Scenario ("STEPS"): reflect the actual implementation process of currently implemented and announced policies for examining the potential exposure to transition risks under the Group's existing policies and business conditions.

The selection of the above scenarios ensures that the risk assessment results are highly consistent with the Group's business plans, strategic direction, climate transition plan, and publicly announced medium- and long-term carbon reduction targets, in order to provide a scientific and robust analytical basis for the subsequent development of targeted climate adaptation and mitigation strategies.

	Low emission scenarios	High emission scenarios
Scenario definition	An ambitious climate action is to limit global warming to 1.5°C or substantially lower than 2°C, with an aim to achieve carbon neutrality (net-zero emissions) by 2050	The implication of global climate policy is nearly suspended, with economy being highly dependent on fossil fuels, clean technology development being severely lagging, greenhouse gas emissions remaining high, and warming being expected to exceed 3°C by the end of this century
Reasons for selection	Achieve net-zero greenhouse gas emissions by 2050 and limit global warming to 1.5°C (as same as pre-industrial levels) by 2100	maintain stable greenhouse gas emissions by 2050, reduce emissions by 2100, and prevent the temperature increasing of exceeding 3°C
	This scenario was chosen to assess the impact of ambitious climate actions, with an aim to satisfy the target of rising 1.5°C or much lower than 2°C under the Paris Agreement. Under this scenario, we will focus more on transition risks.	As a worst-case stress test, it is used to assess the maximum impact of extreme physical risks on the asset portfolio, supply chain and operating sites in the event of the collapse of international cooperation and the stagnation of transformation, in order to ensure the resilience of Group under the most severe conditions.
Description of scenario	The world realizes the severity of climate change, and countries are intensifying their climate action efforts. The countries immediately implement stringent policies to reduce emissions, to limit global warming to 1.5°C or much lower than 2°C by the end of this century. Technological advancements and increased awareness are driving a transition to low-carbon, low-energy consumption, while markets are shifting towards more climate-friendly production and consumption. The civil society and consumers urge increasing climate actions that the business takes.	The international climate agreements cease to be of effect, which leading to the resumption of coal and oil and gas extraction, and the repeal of carbon pricing and emission reduction policies in various countries. Technological innovation has deviated from the low-carbon path, while population is increasing and resources are more demanding. Frequent occurrence of extreme weather, sea-level rise, and ecological collapse pose significant physical risks to the Group's asia-pacific operations and investment portfolio.

	Low emission scenarios	High emission scenarios
Main Reference	IPCC SSP1–2.6: The world adopts stringent climate policies and innovative technologies, prioritize clean energy, to achieve a temperature control target of rising 1.5°C or much lower than 2°C.	IPCC SSP3–7.0: Climate policies nearly cease to be of effect. The economy is highly dependent on fossil fuels, greenhouse gas emissions remain high, and temperatures are projected to rise by more than 3°C by the end of this century. The risks of the occurrence of extreme weather, sea-level rise, and ecosystem collapse are extremely high.
	IEA NZE: The energy system relies on renewable energy, electrification, and technological breakthroughs with support of stringent international policies, to achieve a decarbonization. Global carbon neutrality is expected to be satisfied by 2050.	IEA STEPS: New climate policies are introduced, with an aim to maintain emissions levels or slightly reduce emissions levels by 2050 (but this is far behind the net-zero target). Global warming of 3°C or higher degree is on the way, leading to increasing physical risks.

8.2.3. Resilience to climate change

The management of the Group has identified and prioritized the assessment of climate-related risks and opportunities, and conducted questionnaire based on selected scenario analysis, in order to understand the impacts and timeframes. Differentiation in survey results may stem from variations in management's understanding of climate issues and their professional judgment standards. To address this issue, the Group will continuously strengthen the climate awareness of its management and employees.

Through discussions of climate scenarios, we analyzed significant risks and their potential impact on the Group's operations. We developed targeted adaptation and mitigation measures for these risks. The table below summarizes the findings.

Climate-related risks

Risk type	Risk	Scenario	Timeframe: Short term	Timeframe: Medium term	Timeframe: Long term	Potential financial impact	Mitigation/adaptation measures
Climate-related transition risks							
Policies and Laws	Carbon prices rise	1.5°C	Low	Mid	Mid	• Increased operating costs, such as purchasing carbon credits, paying carbon taxes, or emission allowance fees. • The Company may face increasing carbon taxes, which leading to an impact on production costs and gross profit. In the event of carbon prices continuing to increase, it could increase unit product costs, decrease profit margins and increase cash flow pressure.	• By purchasing carbon credits in advance, Novus saved CAD 26,000 and reduced its carbon tax burden, as mentioned in its interim report 2025. • The Company implemented policies and emission reviews of HSE to ensure compliance with Canada's Technology Innovation and Emissions Reduction ("TIER") Regulation. It explored the feasibility of carbon sequestration to reduce cost pressures from future carbon price increases.
		3°C	Low	Low	Low		
	Enhance reporting requirements for emissions (such as ESG requirements by the Hong Kong Stock Exchange)	1.5°C	Low	Low	Low	• Increased administrative and compliance costs, such as third-party verification fees, data collection system upgrades, and additional manpower. • The Company may face penalties for non-compliance reporting or increased audit costs, which leading to an impact on administrative expenses and overall operational efficiency.	• Scope 1 and Scope 2 emissions data of Novus are detailed in the annual ESG report to be announced, that were calculated with using IPCC guidelines and reviewed by internal audit. • The Company established an ESG working group to oversee the reporting process, to ensure compliance with the requirements of the Hong Kong Stock Exchange and the Canadian Specified Gas Reporting Regulation, in order to improve the accuracy and compliance of disclosures.
		3°C	Low	Low	Low		

Risk type	Risk	Scenario	Timeframe Short term	Medium term	Long term	Potential financial impact	Mitigation/adaptation measures
	The industry is facing increasingly stringent mandatory regulations on existing products and services, due to constant changing laws and regulatory requirements.	1.5°C 3°C	Low Low	Low Low	Low Low	• Increased compliance and remediation costs, such as equipment upgrades, abandonment, or environmental fines. • The Company may face production restrictions or shutdowns, which leading to reduced output and revenue, and increased potential legal expenses.	• Novus complies with AER Directive 060 and abandonment regulations, to conduct regular environmental compliance audits. • Henan Yanchang installed an oil and gas recovery system (recovery rate ≥95%), which in line with the national standard GB 31570-2015 and the requirements of the discharge permit, in order to ensure continuous compliance of products and services and lower risk of fines due to regulatory changes.
Technology	Replace existing products and services with lower emission products and services	1.5°C 3°C	Low Low	Mid Low	Mid Low	• Shifting market demand leads to a decline in sales revenue, such as a decrease in fuel sales volume. • The Company may face a loss of market share in traditional products, affecting revenue and gross profit. This triggers increasing R&D or transition investment, which leading to an extension of the capital recovery period.	• Novus explores feasibility of carbon sequestration and reduces emissions while enhancing low-carbon production capabilities through systematic optimization of oilfield management and natural gas pipeline construction. • The Company is committed to green and low-carbon development. It continuously explores low-emission technologies and gradually adapts the market's changing demand for low-carbon alternatives.

Risk type	Risk	Scenario	Timeframe			Potential financial impact	Mitigation/adaptation measures
			Short term	Medium term	Long term		
	The cost of transition to lower-emission technologies	1.5°C	Low	Mid	Mid	• Increased capital expenditures, such as investments in carbon sequestration, natural gas pipelines, or energy-saving equipment. • The Company may face increased upfront transition costs, which triggers pressure on cash flow and profits in the short term and increase its financial burden.	• The construction of natural gas pipelines advanced by Novus reduces combustion emissions and improves energy efficiency. This directly reduces emissions, as shown in the interim report of 2025. • The Company invests in carbon sequestration research and energy-saving equipment (such as LED lighting), to gradually transform to low-emission technologies, so as to control capital expenditures and enhance long-term competitiveness.
		3°C	Low	Low	Low		
Market	Constant changing of consumer behaviour	1.5°C	Low	Mid	Mid	• Sales revenue declines. For example, consumers change their demand to low-carbon energy sources, that leading to a decreasing demand for fuel. • The Company may face increasing volatility in oil prices and a decreasing sales volume, that impact revenue and gross margin, and increase management cost of inventory.	• The Company monitors market trends and oil price fluctuations, adjusts inventory and coordinates with third-party supply chains to maintain stable sales. • Novus indirectly addresses the increasing demand for low-carbon energy and mitigates the impact of changing customer behavior by optimizing production and improving efficiency (such as reducing energy intensity).
		3°C	Low	Low	Low		

Risk type	Risk	Scenario	Timeframe: Short term	Timeframe: Medium term	Timeframe: Long term	Potential financial impact	Mitigation/adaptation measures
Reputation	Increased stakeholders' concerns or negative stakeholders' feedback	1.5°C	Low	Mid	Mid	• Increased financing costs. For example, investors demanding higher risk premiums or banks raising lending rates. • The Company may face volatility in stock price, withdrawal of investment, or reputational damage, which leading to an impact on its ability to raise capital and its overall valuation.	• Track and disclose climate performance, optimize reporting processes and outsource professional consultants to ensure its accuracy. Communicate regularly with stakeholders, improve ESG ratings, and avoid withdrawal of investment and pressure on the price of the underlying stocks.
		3°C	Low	Low	Low		
Immediate effect	Occurrence of extreme weather events	1.5°C	Low	Low	Low	• Production disruptions and increased remedy costs. For example, extreme cold or spring thaw leading to well site shutdowns. • The Company may face short-term revenue reductions and additional operating expenses, as well as increased costs associated with insurance claims or equipment damage.	• Novus develops backup production plans, to adjust production and impose intervention measures on the use of wells in the event of road closure due to cold weather and spring thaw. • The Company implements its HSE policy and regularly reviews weather risk solutions, to ensure operational resilience and minimization of business interruption losses.
		3°C	Low	Low	Low		
Long-term	Average temperature rise	1.5°C	Low	Low	Low	• As Novus is a small upstream operator with its assets being kept in Canada, it faces moderate risks from permafrost thaw and drought. If global warming continues, the value of some well sites or infrastructure may start to be impaired at an earlier date.	• Incorporate climate risk into financial planning, stress testing and scenario analysis, and conduct vulnerability assessments of geographical locations, to proactively reduce exposure to high-risk assets and protect long-term portfolio value.
		3°C	Low	Low	Low		

Restriction

In fiscal year of 2025, the Group integrated international and regional climate regulations with reference to the Hong Kong Stock Exchange's ESG Code and IFRS S2 requirements, such as "dual carbon" target of China, federal and provincial environmental regulations of Canada, industry practices, and the latest scientific research, to develop a climate disclosure framework. However, scenario analysis has inherent limitations and cannot comprehensively cover all potential climate risks and opportunities. Also, its results are affected by data quality, the accuracy of assumptions and technological conditions. We will continue to monitor emerging risks, optimize our analysis processes, and collect valuable feedback from stakeholders, to improve the accuracy and reliability of future disclosures.

Future improvements

The Group is currently in the early stages of its climate-related disclosures, and this report does not yet provide a quantitative assessment of the short-, medium-, and long-term financial impacts of climate risks and opportunities. Going forward, we will enhance our scenario analysis capabilities and gradually introduce quantitative models to assess the scale and probability of potential financial impacts. Furthermore, we will explore the flexibility of our financial resources and develop corresponding strategies for the key impacts identified in the analysis. On this basis, we will continuously optimize climate risk management, enhance the Group's climate adaptability and resilience, to ensure the sustainable development of our oil and gas business.

Climate-related opportunities

Despite facing challenges, the Group actively identifies potential opportunities arising from climate change. As the global low-carbon transition accelerates, the Group leverages existing measures to enhance efficiency and compliance, such as continuous emissions reduction of Novus, to avoid potential penalties and explore the feasibility of carbon sequestration technologies, in order to support green and low-carbon development.

Meanwhile, we noticed a progressive increase in market demand for energy efficiency and clean technologies. Going forward, we will assess the application of relevant technologies in a timely manner based on market dynamics and regulatory requirements. For example, we will further promote the use of natural gas as a substitute for traditional fossil fuels, oil and gas recovery systems, and energy-saving equipment, to improve operational efficiency and reduce emissions. On this basis, we will explore potential opportunities in climate mitigation while maintaining manageable risks, to achieve a balance between sound business operations and sustainable development.

Current financial impact

During the reporting period, the Group assessed the actual impact of identified climate-related risks and opportunities on the Group's financial position, operating results and cash flows during the reporting period, in accordance with reporting requirements. Based on management's careful assessment, during the reporting period, climate-related risks, including physical and transformational risks, as well as climate-related opportunities, did not have a material immediate impact on the Group's financial position, financial performance or cash flows.

The Group continues to comply with relevant environmental and climate regulations in its daily operations and effectively controls potential additional compliance costs and operational risks through optimization of existing operation and emissions management measures. Based on the above assessment, the Group believes that the climate-related risks and opportunities identified during the reporting period have not resulted in a need for significant adjustments to the carrying amounts of assets or liabilities in the next financial year.

However, the Group will continue to monitor climate-related factors, including policy changes, frequency of occurrence of extreme weather and trend for market transformation. In coming reporting period, the Group will make timely disclosure in the event of occurrence of any circumstance that have a material impact on its financial condition or operating performance, in accordance with relevant regulatory requirements. In the reporting period, the main climate-related expenditures and its impacts are as follows:

- Extreme Weather: There were extreme cold and heavy snow in Saskatchewan, Canada in the first of the year, resulting in operating expense of CAD 338,000 for coping with such incidents. Besides, the Group didn't record any other significant capital expenditures or significant asset losses, as there's no similar incident occurred in the second half of the year. Such effect will not continue in the next year.

- Policy and Legal Risks: In the first half of the year, the expense incurred for complying with Output-Based Pricing System ("OPBS") and TIER regulations in Canada was CAD 18,000, without penalties or carbon credit purchases. The Group avoided additional penalties through emissions reduction measures. Such effect will not continue in the next year.

- Financing and Subsidies: During the year, the Group did not have any green financing or sustainable financing, nor any traditional financing specifically used for coping with climate risk. In addition, the Group did not apply for climate-related subsidy program from any governments or organizations.

Expected financial impact

The Group has conducted multi-scenario analyses and made initial attempts to compare physical and transformation risks with their financial impacts. However, due to the uncertainties in external scenario parameters, including the variability of policy paths, technology cost curves, regional climate projections, the accuracy of internal data and the current maturity of models, we believe that a sufficiently robust foundation is not yet available to make specific quantitative forecast or interval estimates of future financial impacts. Therefore, this report does not disclose the estimated financial impacts of climate-related risks and opportunities on profit and loss, balance sheet, cash flow, or capital requirements over the medium and long term.

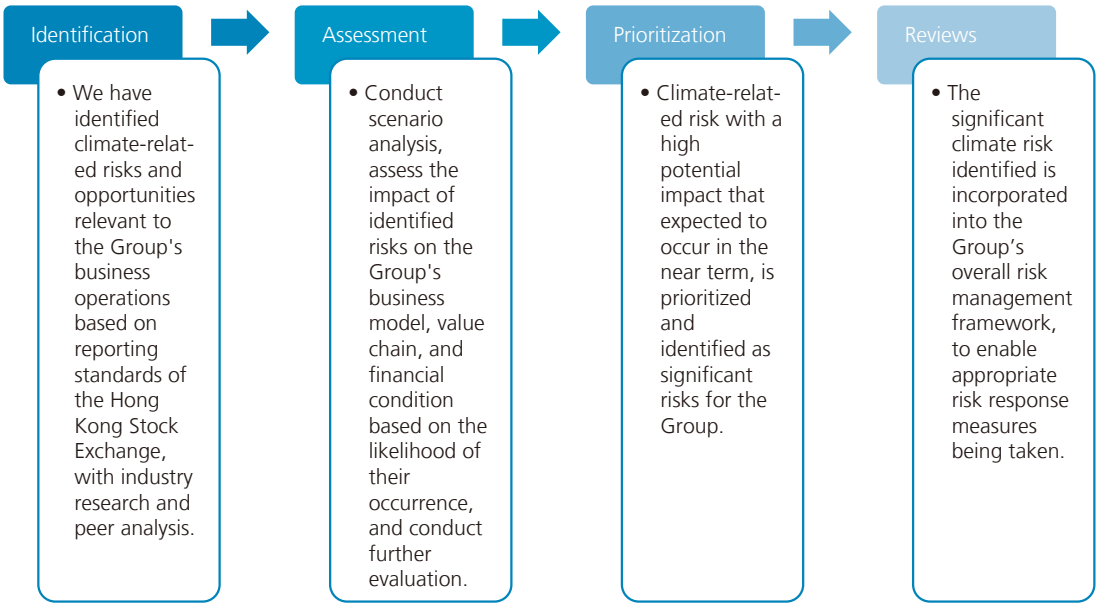
The Group will adopt a prudent and incremental approach and continue to make improvements, with a focus on the following areas:

- further improve the correlation analysis between historical loss data and climate events;
- strengthen model benchmarking with international peers and professional organizations;
- quantitative results will be introduced in an orderly manner when internal and external conditions have matured and the uncertainty of the main assumptions has been significantly reduced.

We are committed to maintaining the high standard of transparency and prudence. We will disclose the relevant estimated financial impacts in upcoming reports in a timely manner, once a reliable and verifiable quantitative basis is available. At the present stage, we primarily focus on qualitative analysis and consider climate-related uncertainties as a key factor in our strategic planning and risk management.

8.3. Climate Risk Management

The Group established a comprehensive risk management framework to regularly identify, assess, monitor, and manage climate-related risks. Climate risk analysis under this framework is conducted at least annually, and the results are reported to the Board and the ESG Working Group for review. We have identified climate-related risks (including transformation risk and physical risk) that have a potentially significant impact on our business. Through our governance structure and cross-departmental collaboration, the Group manages climate-related risks using a combination of qualitative and quantitative methods, in order to ensure effective risk control and support sustainable business development.



8.4. Climate Indicators and Targets

The Group has established various climate indicators and targets for greenhouse gas ("GHG") emissions, energy consumption, water management, and renewable energy generation, to effectively track the performance of climate-related risks and opportunities and monitor the progress of managing such risks and opportunities, thereby supporting the Group to meet international climate goals and contribute to the transition to a low-carbon economy.

8.4.1. Targets

We set targets for carbon reduction and energy conservation to be achieved by fiscal year of 2030 or earlier. With fiscal year of 2025 as a baseline, the scope of such targets is fundamentally consistent with that of this report. We developed corresponding management strategies for achieving our carbon reduction targets. To demonstrate our commitment to transitioning to a low-carbon economy, we will gradually reduce greenhouse gas emissions and contribute to world to limit temperature rise with below 1.5°C.

Greenhouse gas management targets

	Unit	5-year target*	Progress in 2025
Greenhouse gas emission intensity	tCO_2e/tons of production ('000)	decreased 1%	2025 as the base year

Note:

* Novus's Base year (2025): 0.98 tCO_2e/tons of production ('000)

* Henan Yanchang's base year (2025): 0.13 tCO_2e/tons of production ('000)

8.4.2. Indicators

GHG emission

The Group actively responds to the national policy on the development of a low-carbon economy. Through identifying carbon emission sources, calculating emissions, setting emission-reduction targets, and regularly assessing effectiveness, the Group systematically manages greenhouse gas emissions. In the quantification process, the Group makes reference to international standards under the Greenhouse Gas Accounting and Reporting Framework to ensure the accuracy and reliability of the data. In addition, considering that the calculation of Scope 3 emissions involves data collection across upstream and downstream activities of the value chain, which is extensive in scope and requires the cooperation of stakeholders such as suppliers, customers, and tenants, the Group considers it more appropriate to adopt reasonable data exemptions. The Group's greenhouse gas emissions are calculated as follows:

Type of Greenhouse Gas	Unit	Novus 2025	Henan Yanchang 2025
Total greenhouse gas emission intensity	tCO_2-e/Production unit ('000)	0.98	0.13
Total greenhouse gas emission	tCO_2-e	532.14	515.67
Direct emissions (Scope 1)	tCO_2-e	150.53	44.43
Energy indirect emissions (Scope 2)	tCO_2-e	381.61	471.25

Notes:

The calculations were based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth Assessment Report and latest emission factor of the National Grid of China published by the Ministry of Ecology and Environment of the People's Republic of China (MEE);

Scope 1 includes emissions from stationary combustion of diesel and natural gas, emissions from direct combustion of gasoline from mobile sources; and emissions from direct combustion of methanol;

Scope 2 includes energy indirect emissions from purchased electricity; and

The production unit of Novus is BOE (barrel of equivalent), and the production unit of Henan Yanchang is ton.

The Group will continue to monitor the use of energy and carbon emissions, and will mitigate the environmental impact of its business operations by improving energy efficiency and promoting energy-saving measures.

Internal carbon price

The Group actively explores the application of its internal carbon pricing mechanism to support the financial assessment of climate-related risks and opportunities, in order to promote the transition to a low-carbon economy.

Remuneration

The Group actively considers incorporating climate-related performance into its compensation policy to incentivize management and employees to drive sustainable development goals.

9. INDEX TO APPENDIX C2 'ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE' TO THE "RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED"

Part C: "Comply or explain" Provisions

		Chapter
A	**Environmental**	
Aspect A1	Emissions	4.2. Pollution control
KPI A1.1	The types of emissions and respective emissions data.	4.2. Pollution control
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. Per unit of production volume, per facility).	4.2. Pollution control Both hazardous and non-hazardous wastes are handled by external contractors. As no significant hazardous or non-hazardous waste was generated during the reporting period, there is therefore no emissions data for such pollutants.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. Per unit of production volume, per facility).	4.2. Pollution control Both hazardous and non-hazardous wastes are handled by external contractors. As no significant hazardous or non-hazardous waste was generated during the reporting period, there is therefore no emissions data for such pollutants.
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	4.1. Directional target on environmental protection
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.1. Directional target on environmental protection

Aspect A2	Use of resources	4.3. Making good use of resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. Electricity, gas or oil) in total (kwh in '000s) and intensity (e.g. Per unit of production volume, per facility).	4.3. Making good use of resources
KPI A2.2	Water consumption in total and intensity (e.g. Per unit of production volume, per facility).	4.3. Making good use of resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.1. Directional target on environmental protection
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.1. Directional target on environmental protection No issue in sourcing water that is fit for purpose for the group.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the group
Aspect A3	The environment and natural resources	4.4. Green operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	During the reporting period, there was no incident that had a significant impact on the environment and natural resources.
Aspect A4	Repealed 1 January 2025	
KPI A4.1	Repealed 1 January 2025	

B	**Social**	
Aspect B1	Employment	5.1. Equal employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1. Equal employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5.1. Equal employment
Aspect B2	Health and safety	5.2. Occupational health and safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	There were no work-related fatalities occurred in the past three years inclusive of the reporting period.
KPI B2.2	Lost days due to work injury.	During the reporting period, there was no lost days due to work injury
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.2. Occupational health and safety.
Aspect B3	Development and training	5.3. Training and development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. Senior management, middle management).	5.3. Training and development
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.3. Training and development
Aspect B4	Labour standards	5.4. Protection of rights and interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.4. Protection of rights and interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	No violation in the reporting period
Aspect B5	Supply chain management	6.1. Supply chain management
KPI B5.1	Number of suppliers by geographical region.	6.1. Supply chain management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	All of our suppliers were engaged according to the group's supplier engagement guideline.
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1. Supply chain management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1. Supply chain management

Aspect B6	Product responsibility	6.2. Production management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the reporting period, no products were subject to recalls for safety and health reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	During the reporting period, no products were subject to recalls for quality problems.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.2. Production management
KPI B6.4	Description of quality assurance process and recall procedures.	6.2. Production management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	6.2. Production management
Aspect B7	Anti-corruption	6.3. Corporate governance
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	No corruption lawsuit in the reporting period
KPI B7.2	Description of preventive measures and whistle- blowing procedures, and how they are implemented and monitored.	6.3. Corporate governance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	6.3. Corporate governance
Aspect B8	Community investment	7. Giving back to community
KPI B8.1	Focus areas of contribution (e.g. Education, environmental concerns, labour needs, health, culture, sport).	7. Giving back to community
KPI B8.2	Resources contributed (e.g. Money or time) to the focus area.	7. Giving back to community

Part D: Climate-related disclosures

		Chapter
(I)	Governance	
19	The issuer must disclose information regarding the following:	
	(a) Information on the governance body (which may include the board, committee, or other equivalent governance body) or individual responsible for overseeing climate-related risks and opportunities. Specifically, issuers must identify the relevant body or individual and disclose the following information:	2.1. ESG statement of the board
	(i) How the body or individual determines whether they have the appropriate skills and competencies to oversee strategies related to climate-related risks and opportunities;	
	(ii) How and how often the body or individual is informed about climate-related risks and opportunities;	
	(iii) How the institution or individual considers climate-related risks and opportunities into account in overseeing the issuer's strategies, significant transaction decisions, and risk management processes, including whether the body or individual considers trade-offs associated with climate-related risks and opportunities;	
	(iv) How the body or individual oversees the setting of targets related to climate-related risks and opportunities and monitors progress toward those targets (see paragraphs 37–40), including whether and how relevant performance indicators are incorporated into compensation policies (see paragraph 35); and	
	(b) The role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including:	2.1. ESG statement of the board
	(i) Whether this role is entrusted to specific management personnel or a management-level committee and how that individual or committee is supervised; and	
	(ii) Whether and how management uses controls and procedures to assist in overseeing climate-related risks and opportunities, and how these are integrated with other internal functions.	

(II)	Strategy	8. Addressing climate change
	Climate-related risks and opportunities	
20	Issuers must disclose information to make it clear what climate-related risks and opportunities they reasonably anticipate could affect their cash flows, access to financing, or cost of capital in the short, medium, or long term. Specifically, issuers must:	8.1. Climate strategy
	(a) Describe the climate-related risks and opportunities that are reasonably expected to impact the issuer's cash flows, financing channels, or capital costs in the short, medium, or long term;	8.1. Climate strategy
	(b) Explain whether the identified climate-related risks are considered to be physical risks or transition risks;	8.1. Climate strategy
	(c) Provide specifics on the reasonable expectations regarding the time horizon (short, medium, or long term) for each identified climate-related risk and opportunity; and	8.1. Climate strategy
	(d) Explain how the issuer defines short-term, medium-term, and long-term, and how these definitions are linked to the scope of its strategic decisions.	8.1. Climate strategy
	Business model and value chain	
21	Issuers must disclose information that helps understand the current and expected impacts of climate-related risks and opportunities on their business model and value chain. Specifically, issuers must disclose	8.1. Climate strategy
	(a) Describe the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain; and	8.1. Climate strategy
	(b) Describe where climate-related risks and opportunities are concentrated in the issuer's business model and value chain (e.g., geographic regions, facilities and asset types).	8.1. Climate strategy

Strategy and Decision making

22	Issuers must disclose information that enables them to understand the impact of climate-related risks and opportunities on their strategies and decisions. Specifically, issuers must disclose:	8.2.3. Resilience to climate chang
	(a) Information regarding how the issuer plans to address climate-related risks and opportunities in their strategies and decision-making, including how the issuer plans to achieve any climate-related targets set and any legally or regulatory mandated targets. Specifically, issuers must disclose the following information:	8.2.3. Resilience to climate chang
	(i) Changes to the issuer's business model (including resource allocation) in response to climate-related risks and opportunities, both now and in the future;	
	(ii) Any adaptation or mitigation work that has been or is expected to be carried out (directly or indirectly);	
	(iii) Any climate-related transition plans of the issuer (including information on the key assumptions used in developing the transition plans and the factors on which the plans are based), or, if the issuer does not have such plans, an appropriate negative statement;	
	(iv) How the issuer plans to achieve any climate-related targets described in paragraphs 37 to 40 (including any greenhouse gas emission targets, if any); and	
	(b) Information on how the issuer plans to provide resources for actions disclosed under paragraph 22(a).	8.2.3. Resilience to climate chang
23	The issuer must disclose the progress of the plans disclosed in paragraph 22(a) for each previous reporting period.	8.2.3. Resilience to climate chang
	Financial Condition, Financial Performance, and Cash Flow	8.2.3. Resilience to climate chang
	Current Financial Impact	8.2.3. Resilience to climate chang
24	The issuer must disclose the following qualitative and quantitative information:	8.2.3. Resilience to climate chang
	(a) How climate-related risks and opportunities affected the issuer's financial position, financial performance and cash flows during the reporting period; and	8.2.3. Resilience to climate chang
	(b) Information regarding the climate-related risks and opportunities identified in paragraph 24(a) when there is a significant risk that would lead to a material adjustment of the carrying amounts of assets and liabilities in the relevant financial statements for the next reporting year.	8.2.3. Resilience to climate chang

	Expected Financial Impact	
25	The issuer must disclose the following qualitative and quantitative information:	
	(a) After considering their strategies for managing climate-related risks and opportunities, and considering the following, how the issuer expects its financial condition to change in the short, medium, and long term:	8.2.3. Resilience to climate chang
	(i) its investment and disposal plans; and	
	(ii) its planned sources of funding for implementing the strategy; and	
	Climate Resilience	
26	After considering the climate-related risks and opportunities identified by the issuer, the issuer must disclose information to enable others to understand the resilience of its strategies and business model to climate-related changes, developments, or uncertainties. The issuer must use climate-related scenario analysis to assess its climate resilience in a manner appropriate to its circumstances. When providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer must disclose:	8.2.3. Resilience to climate chang
	(a) The issuer's assessment of its climate resilience as of the reporting date, which aids to understand:	8.2.3. Resilience to climate chang
	(i) The impact of the analysis results on the issuer's strategy and business model, including how the issuer will respond to the impacts identified in climate-related scenario analyses;	
	(ii) The scope of significant uncertainties considered in the issuer's assessment of climate resilience; and	
	(iii) The issuer's ability to adjust its short, medium, and long-term strategies and business model based on climate developments;	

(b) How and when climate-related scenario analysis is to be conducted, including: 8.2.3. Resilience to climate chang

(i) The input data used includes:

(1) Climate-related scenarios and their sources used in the analysis by the issuer;

(2) Whether the analysis covers multiple different climate-related scenarios;

(3) Whether the climate-related scenarios used in the analysis relate to climate-related transition risks or climate-related physical risks;

(4) Whether the issuer has used scenarios that align with the latest international agreements on climate change in its analysis;

(5) Why the issuer considers the selected climate-related scenarios as relevant to assessing resilience against climate-related changes, developments, or uncertainties;

(6) The time frame used in the analysis by the issuer; and

(7) The scope of operations covered in the analysis (e.g., the locations and business units involved in the analysis);

(ii) Key assumptions made by the issuer in the analysis; and 8.2.3. Resilience to climate chang

(iii) The reporting period for conducting climate-related scenario analysis. 8.2.3. Resilience to climate chang

(III) Risk Management

27 Issuer must disclose the following information:

(a) The processes and related policies used by the issuer to identify and assess climate-related risks, prioritize them, and maintain monitoring, including information regarding: 8.3. Climate risk management

(i) The data and parameters used by the issuer (e.g., sources of data and the scope of operations covered by the processes);

(ii) How the issuer can and does use climate-related scenario analysis to identify climate-related risks;

	(iii) How the issuer assesses the nature, likelihood, and extent of the impacts associated with such risks (e.g., whether the issuer considers qualitative factors, quantitative thresholds, or other standards used);	
	(iv) Whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	(v) How the issuer monitors its climate-related risks; and	
	(vi) How the issuer can and does change its processes compared to the previous reporting period;	
	(b) The processes used by the issuer to identify, assess climate-related opportunities, and prioritize and maintain monitoring, including information on how the issuer can and does use climate-related scenario analysis to determine climate-related opportunities; and	8.3. Climate risk management
	(c) How the process of identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities is integrated into the issuer's overall risk management process, and to what extent.	
(IV)	Indicators and Targets	
	Greenhouse Gas Emissions	
28	Issuers must disclose the absolute total greenhouse gas emissions during the reporting period (in tons of CO2 equivalent), categorized as:	8.4. Climate indicators and targets
	(a) Scope 1 greenhouse gas emissions;	
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions;	
29	Issuer must:	
	(a) Unless required otherwise by regulatory authorities or another exchange where the issuer is listed, issuers must quantify their greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004);"	8.4. Climate indicators and targets
	(b) Disclose the methods used for measuring greenhouse gas emissions, including:	8.4. Climate indicators and targets
	(i) The measurement methods, input data, and assumptions used by the issuer to quantify its greenhouse gas emissions;	

	(ii) Why the issuer chose this measurement method, the input data, and the assumptions made for measuring greenhouse gas emissions; and	
	(iii) Any changes made to the measurement methods, input data, and assumptions during the reporting period, including reasons for the changes;	
	(c) For Scope 2 greenhouse gas emissions disclosed under paragraph 28(b), disclose the issuer's Scope 2 greenhouse gas emissions on a geographical basis, along with any necessary contractual documents to understand that emissions; and	8.4. Climate indicators and targets
	(d) For Scope 3 greenhouse gas emissions disclosed under paragraph 28(c), disclose the categories included in the quantification of Scope 3 greenhouse gas emissions according to the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)".	8.4. Climate indicators and targets
	Climate-related Transition Risks	
30	Issuers must disclose the amount and percentage of assets or business activities that are vulnerable to climate-related transition risks.	During the reporting period, the Group did not identify any climate-related transition risks that would have a material or high-risk impact on its assets or business activities.
	Climate-related Physical Risks	
31	Issuers must disclose the amount and percentage of assets or business activities that are susceptible to climate-related physical risks.	During the reporting period, the Group did not identify any climate-related physical risks that would have a material or high-risk impact on its assets or business activities.
	Climate-related Opportunities	
32	Issuers must disclose the amount and percentage of assets or business activities related to climate-related opportunities.	During the reporting period, climate-related opportunities had not yet been converted into independently identifiable projects with clearly attributable and quantifiable asset or business activity values. As such, the Group has not disclosed the specific amounts or percentages of assets or business activities related to climate-related opportunities at this stage.

	Capital Expenditure	
33	Issuers must disclose the capital expenditures, financing, or investment amounts related to climate-related risks and opportunities.	During the reporting period, the Group did not establish any standalone capital expenditure, financing or investment projects specifically related to climate-related risks or opportunities.
	Internal Carbon Pricing	
	Issuer must disclose the following:	
34	(a) Explanation of how the issuer may apply carbon pricing in decision-making (e.g., investment decisions, transfer pricing, and scenario analysis); and (b) The pricing of greenhouse gas emissions for evaluating its cost per ton of greenhouse gas emissions.	We have not yet incorporated internal carbon pricing into our decision-making process. We will explore the use of internal carbon pricing in the future.
	Compensation	
35	Issuers must disclose how climate-related considerations may be incorporated into compensation policies or provide an appropriate disclaimer. This may form part of the disclosures required under paragraph 19(a)(iv).	We will explore the feasibility of incorporating climate-related indicators into the compensation considerations for senior management.
	Industry Indicators	
36	The exchange encourages issuers to disclose industry indicators related to one or more specific business models and activities or to indicators that are commonly related to relevant industry characteristics. In deciding which industry indicators to disclose, the exchange encourages issuers to refer to the "Industry Disclosure Guide" of the "International Financial Reporting Standards Sustainability Disclosure Standards (S2)" and other industry disclosure requirements in international environmental, social, and governance reporting frameworks, considering their applicability.	The Group actively considers disclosing industry-specific indicators related to the disclosure topics, as set out in the industry disclosure requirements prescribed by other international environmental, social and governance reporting frameworks.

Climate-related Targets

37	Issuers must disclose (a) the qualitative and quantitative targets set to monitor progress toward achieving their strategic targets related to climate; and (b) any targets mandated by law or regulation, including greenhouse gas emissions targets.	8.4. Climate indicators and targets
	Issuers must disclose the following information for each target:	
	(a) Indicators used to set goals;	8.4. Climate indicators and targets
	(b) The purpose of the target (e.g., mitigation, adaptation, or science-based initiatives);	8.4. Climate indicators and targets
	(c) Scope of the target (e.g., whether the target applies to the entire group of issuers or only to specific business units or geographic areas);	8.4. Climate indicators and targets
	(d) The applicable period of the target;	8.4. Climate indicators and targets
	(e) The baseline period for measuring progress;	8.4. Climate indicators and targets
	(f) Any interim or mid-term targets (if any);	8.4. Climate indicators and targets
	(g) If it is a quantitative target, whether it is an absolute target or an intensity target; and	8.4. Climate indicators and targets
	(h) How the latest international climate change agreements (including any legal commitments arising from those agreements) assist the issuer in setting targets.	8.4. Climate indicators and targets
38	Issuers must disclose the methods for setting and reviewing each target, and how they monitor progress toward achieving targets, including:	
	(a) Whether the objective itself and the method of setting the objective have been verified by a third party;	We have established greenhouse gas emissions targets. As we move forward, we will explore the feasibility of having our targets verified by a third party.
	(b) The issuer's processes for reviewing targets;	
	(c) Indicators used to monitor progress toward achieving targets; and	
	(d) Any amendments to the targets and the reasons.	
39	The issuer must disclose information on the performance of each climate-related objective and an analysis of trends or changes in the issuer's performance.	8.4. Climate indicators and targets

40	For each greenhouse gas emission target disclosed in paragraphs 37 to 39, the issuer must disclose:	8.4. Climate indicators and targets
	(a) Which greenhouse gases are covered by the target;	8.4. Climate indicators and targets
	(b) Whether the target covers Scope 1, Scope 2, or Scope 3 greenhouse gas emissions;	8.4. Climate indicators and targets
	(c) Whether this target is a total greenhouse gas emissions target or a net greenhouse gas emissions target; if it is a net target, the issuer must also disclose the relevant total greenhouse gas emissions targets;	Our goal is to meet the total greenhouse gas emissions target.
	(d) Whether the target was developed using industry decarbonization approaches; and	
	(e) How the issuer plans to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. Regarding the use of carbon credits, issuers must disclose:	We have purchased carbon credits to offset greenhouse gas emissions generated from our operations.
	(i) The extent and manner to which carbon credits are relied upon to achieve any net greenhouse gas emissions targets;	
	(ii) Which third-party programs will verify or certify the carbon credits;	
	(iii) The type of carbon credits, including whether the associated offsets are based on natural or technological carbon removal, and whether the associated offsets are achieved through emission reductions or carbon removal; and	
	(iv) Any other important factors necessary to make people understand the credibility and integrity of the carbon credits that the issuer plans to use (e.g., assumptions about the carbon offsetting effect).	
	Applicability of Cross-industry Indicators and Industry Indicators	
41	In preparing disclosure content to comply with the provisions set out in paragraphs 21 to 26 and 37 to 38, issuers must reference (i) cross-industry indicators (see paragraphs 28 to 35) and (ii) industry indicators (see paragraph 36), considering their applicability.	8.4. Climate indicators and targets