上海匯舸環保科技集團股份有限公司

CONTIOCEAN ENVIRONMENT TECH GROUP CO., LTD.

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

Stock Code: 2613




# 2025

## Environmental, Social and Governance Report



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# ABOUT THIS REPORT

## Purpose

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

## Reporting Scope and Period

Unless otherwise specified, this Report covers the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**") and focuses on the Group's core businesses in the People's Republic of China (the "**PRC**"), the Hong Kong Special Administrative Region of the PRC ("**Hong Kong**"), Singapore, Portugal and Norway, including (i) marine exhaust gas cleaning systems, (ii) marine energy-saving devices, (iii) marine clean-energy supply systems, and (iv) maritime services, which collectively accounted for 100% of the Group's total revenue during the Reporting Period.

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



## Reporting Standards and Principles

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

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

## Access to the Report

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

## Contact Us

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

# HIGHLIGHTS OF THE YEAR

## Key Performance Summary

### EMPOWERING GREEN MARITIME

**16**
Registered Patents*

**100%**
Quality Management Target Achievement

**7+**
Countries and Regions with Sales Centers

**100%**
of our Production Facility Certified to ISO 9001

### BUILDING LOW-CARBON FUTURE

**100%**
Solid Waste Handling Rate**

Conduct **Climate Scenario Analysis** to Assess a 2050 Net-Zero Emission Scenario and a Business-As-Usual Scenario

**100%**
of our Production Facility Certified to ISO 45001

Completed **Scope 3** GHG Emission Screening, with **10** Key Emissions Categories Identified

* As of December 31, 2025, types of patents include but are not limited to invention patents and utility model patents.
** Covered the collection, sorting and handling of solid waste.

## REALISING DREAMS TOGETHER

**1:2**
Female-to-Male Employee Ratio

**100%**
Employee Occupational Health Examination Coverage Rate

**100%**
of Employees Benefited from Employee Well-being Programs

**0 cases**
Environmental and Occupational Health and Safety Accidents

## FOSTERING HARMONIOUS COMMUNITIES

**3 Major**
Key Focus Areas of Community Investment

**Continuous Investment**
in Supporting Communities and Underprivileged Groups

**3 Major**
Community Programs Supported

**Ongoing Promotion**
for Employees' Participation in Community Services

## Awards, Recognitions and Certifications

Wind ESG Rating – A
Wind ESG

ESG Rating – BB
CCX GREEN FINANCE
INTERNATIONAL LIMITED

"Little Giant" Enterprise for Specialization, Refinement, Distinctiveness, and Innovation
The Ministry of Industry and Information Technology of the People's Republic of China

Specialised, High-end and Innovation-driven SMEs of Shanghai – ContiOcean Shanghai
Shanghai Municipal Commission of Economy and Informatization

2025 Manufacturing Single-item Champion Enterprises of Shanghai
Shanghai Municipal Commission of Economy and Informatization

American Bureau of Shipping

Bureau Veritas

China Classification Society

Det Norske Veritas

Lloyd's Register EMEA

Lloyd's Register Classification Society

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

# MESSAGE FROM THE CHAIRMAN



Since its establishment, ContiOcean Group has been committed to providing innovative environmental solutions for the global shipping industry, as one of the pioneers in this field. With the mission of "Propel Green Energy, Protect Blue Planet," and relying on profound technical expertise and extensive practical experience in the industry, we have achieved remarkable results in the development of environmental protection equipment and systems for maritime applications.

Over the years, we have closely followed the latest ESG regulatory requirements of the International Maritime Organization (IMO), and independently developed a number of industry-leading technological solutions covering marine exhaust gas cleaning systems, marine energy-saving devices, clean-energy supply, maritime services, and other sectors. Our marine ESG solutions have been successfully applied to thousands of vessels worldwide, providing strong support for the low-carbon transition of the shipping industry. These innovative achievements not only help customers achieve compliance objectives, but also enhance the safety, environmental performance, and comfort of vessel navigation.

The year 2025 marks the inaugural year of ContiOcean Group's listing on the Main Board of the Stock Exchange of Hong Kong Limited, signifying that the Group has embarked on a brand-new chapter of development. We will continue to deepen technological innovation, expand our global maritime business landscape, and drive the industry's green transformation with stronger momentum. Meanwhile, we will abide by the Listing Rules, give full play to the strategic value of the capital market, stay true to our original aspiration and forge ahead, so as to create more substantial returns for shareholders and investors.

Finally, on behalf of the Group, I would like to express my sincere gratitude to all of you for your continued support and trust! Let us join hands and make unremitting efforts to build a green, clean and sustainable future for the shipping industry!

**Zhou Yang**
*Chairman and Executive Director*
**ContiOcean Environment Tech Group Co., Ltd.**
March 2026



# ABOUT US

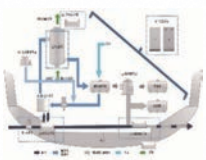
## Group Overview

ContiOcean Group was founded in Shanghai in 2017 and officially listed on the Main Board of the Stock Exchange of Hong Kong on 9 January 2025 (Stock Code: 2613.HK). It has grown into a group enterprise with 14 subsidiaries across domestic and overseas markets. ContiOcean Group provides a comprehensive suite of marine environmental protection equipment and systems, including marine exhaust gas cleaning systems, marine energy-saving devices, marine clean-energy supply systems as well as maritime services. Through integrated, diversified and sustainable one-stop services, the Group has become one of the most trusted ESG solution providers in the shipping industry.

The Group's business spans globally, with sales centers established in mainland China, Hong Kong, Singapore, Norway, Greece, Japan and South Korea, forming an seamless global service network and fast-response mechanism. In addition, by setting up cutting-edge R&D hubs in Lisbon Portugal and jointly building innovation laboratories with leading domestic universities, ContiOcean Group has built a global, open and industry-leading R&D system, driven by forward-looking technological investments.

Guided by its mission of "Propel Green Energy, Protect Blue Planet," ContiOcean Group has forged a leading position in the marine ESG sector, underpinned by its strong market position: its marine exhaust gas cleaning systems rank first among Chinese private enterprises and among the top ten in the global market. The Group consistently prioritises both technological innovation and brand building, and keeps contributing its "ContiOcean Strength" to the development of green maritime.

## Four Key Business Segments

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

## Global Presence

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

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

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




The Group's Global Service Network

## 2025 Annual Highlights




### ContiOcean's Global Presence

**01.2025**

ContiOcean Group was listed on the Main Board of the HKEX

ContiOcean Group successfully delivered its first Waste Heat Recovery System ("**WHRS**").

**07.2025**

ContiOcean Hong Kong obtained certifications for ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety Management) certifications.

**08.2025**

ContiOcean Group Japan Office was officially inaugurated, further advancing its global strategy.

ContiOcean Group was delisted from the National Equities Exchange and Quotations ("**NEEQ**").

**09.2025**

ContiOcean Group formally submitted an application for the full circulation of H Shares.

**10.2025**

ContiOcean (Nantong) E.P. Equipment Co., Ltd. a subsidiary of ContiOcean Group, was granted the National Recognition as a "Little Giant" Enterprise for Specialization, Refinement, Distinctiveness, and Innovation.

**11.2025**

ContiOcean Group was recognised as a "Single Champion" Enterprise in Shanghai's manufacturing industry.

**12.2025**

ContiOcean Group debuted new products including ContiOcean PowerFoil, Stirling Cryogenerator and Plate Heat Exchangers at Marintec China in Shanghai.

# OUR MANAGEMENT APPROACH TO SUSTAINABILITY

## Sustainability Strategy

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

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

- **Vision and Mission as Strategic Drivers:** Guided by our vision "Serve Every Vessel with Eco-friendly Technics" and the mission "Propel Green Energy, Protect Blue Planet", we are committed to accelerating the low-carbon transition of the maritime industry.

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

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

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

# SUSTAINABILITY STRATEGY

## EMPOWERING GREEN MARITIME

### Navigating with Vision to Lead Maritime Innovation

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




## REALISING DREAMS TOGETHER

### Navigating with Dreams to Build an Excellent Team

- Occupational Health and Safety
- Diversity, Equity, and Inclusion
- Employee Well-being and Development




## BUILDING LOW-CARBON FUTURE




### Navigating with Green to Scale Decarbonisation

- Climate Resilience
- Low-Carbon Operations
- Circular Economy

## FOSTERING HARMONIOUS COMMUNITIES




### Navigating with Heart to Create a Better Future

- Corporate Giving and Responsibility
- Community Engagement and Development

# STRATEGIC PRIORITIES AND PROGRESS

## Empowering Green Maritime

| Key Focus Areas | Strategic Priorities/ Commitments | 2025 Progress/Key Initiatives and Performance | Response to UNSDGs |
|---|---|---|---|
| • Innovation and R&D | To accelerate the decarbonisation of the global maritime industry by pioneering advanced technologies that deliver both environmental and operational excellence in line with IMO regulations | • Achieved a milestone delivery of our inaugural waste heat recovery system for 7,000 PCTC ●<br>• Through our jointly established experimental platform with Zhejiang University, the Group has successfully developed the Stirling LiqBOG System, reducing GHG emissions ●<br>• 16 new core technology patents were added, including 13 invention patents ●<br>• 35% of the R&D team members hold a master's degree or higher, forming a highly skilled and innovative talent pipeline ●<br>• Continuous investment in R&D, with annual R&D expenditure accounting for 4.5% of total annual revenue ● | 3 GOOD HEALTH AND WELL-BEING<br>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE<br>11 SUSTAINABLE CITIES AND COMMUNITIES<br>12 RESPONSIBLE CONSUMPTION AND PRODUCTION<br>13 CLIMATE ACTION<br>14 LIFE BELOW WATER<br>17 PARTNERSHIPS FOR THE GOALS |
| • Quality Excellence | To deliver customer focused, high-quality and reliable environmental protection equipment and system built on a foundation of robust quality management | • Production facilities certified with ISO 9001:2015 International Quality Management System ●<br>• 100% Achievement of quality management targets ●<br>• Established a 24-hour customer feedback response mechanism, achieving a 100% issue confirmation rate ●<br>• Customer satisfaction survey score reached 100 ● | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| • Sustainable Procurement and Supply Chain Management | To promote sustainable procurement through a transparent and responsible supply chain | • Refined the quality review requirements for key suppliers, aiming to reduce the potential impacts on the environmental and occupational health and safety during the provision of products and services ● | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| • Business Ethics | To uphold strong governance and responsible business practices as a foundation for long-term growth, while reinforcing industry trust and ethical standards | • Anti-corruption training covered 100% of the Board members and employees ◐ | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION<br>17 PARTNERSHIPS FOR THE GOALS |

Achieved ● In Progress ◐

## Building Low-Carbon Future

| Key Focus Areas | Strategic Priorities/ Commitments | 2025 Progress/Key Initiatives and Performance | | Response to UNSDGs |
|---|---|---|---|---|
| • Climate Resilience | To actively address climate change and accelerate the transition to a low carbon future | • Established a "2028 Climate Target", with 2023 as the base year, to reduce GHG emissions intensity (Scopes 1 and 2) by 3% by 2028 | ◐ | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION<br>13 CLIMATE ACTION |
| | | • Continuously optimised Scope 3 emissions screening and disclosure, established a GHG (Scope 3) inventory, and identify 10 material emission categories | ● | |
| | | • Conducted climate scenario analysis for the first time to assess the resilience of the Group's strategy and business model against climate risks | ● | |
| | | • Enhanced the climate-related risk and opportunity management framework to strengthen forward-looking capability and adaptability in response to climate change | ● | |
| • Low-Carbon Operations | To achieve low carbon operations through energy saving technology upgrades and process optimization | • Established a "2028 Green Target", with 2023 as the base year, to reduce the intensity of energy consumption and intensity of total water consumption by 3% and 1% respectively by 2028 | ◐ | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE<br>11 SUSTAINABLE CITIES AND COMMUNITIES |
| | | • ContiOcean Nantong installed self-developed photovoltaic power generation systems on the roofs of its own factories, effectively reducing traditional electricity consumption | ● | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION<br>13 CLIMATE ACTION |
| | | • ContiOcean Hong Kong obtained certification for ISO 14001 Environmental Management System | ● | 15 LIFE ON LAND |
| • Circular Economy | To continuously enhance product lifecycle management to support the transition toward a circular economy | • Continuously implementing circular economy principles to promote eco-design | ◐ | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE<br>12 RESPONSIBLE CONSUMPTION AND PRODUCTION |

● Achieved ◐ In Progress

## Realising Dreams Together

| Key Focus Areas | Strategic Priorities/ Commitments | 2025 Progress/Key Initiatives and Performance | Response to UNSDGs |
|---|---|---|---|
| • Occupational Health and Safety | To consistently strengthen safety management to ensure comprehensive protection of employee safety and health | • Systematically conducted workplace fire safety training to enhance employees' awareness of fire prevention and emergency response capabilities ●<br>• 100% achievement of annual safety targets, including achieving "zero major safety incidents" and "zero work-related fatalities" at production facilities ●<br>• Launched a "Themed Health Activity Month", achieving 100% participation rate among all employees ● |  |
| • Diversity, Equity, and Inclusion | To promote an inclusive culture and committed to building a diverse and equitable workplace | • Advancing the development of female talent, with women representing 12.5% of the Board, 15% of management positions ●<br>• Organised workshops focused on women's self-development, workplace equality, and leadership development ●<br>• Conducted annual team-building activities to strengthen employees' sense of team belonging and identification with the Group ● |  |
| • Employee Well-being and Development | To cultivate talent by continuously investing in employee growth and well-being | • Organised various themed care initiatives, covering employee health and well-being, women's empowerment, and diversity and inclusion ●<br>• Achieved an average of 12.19 training hours per employee in 2025, establishing a comprehensive training system covering professional competence, basic knowledge, leadership development and ESG topics ●<br>• Continuously enhanced employee well-being mechanisms by offering health checks, and implementing and family-friendly activities ● |  |

Achieved ● In Progress ◐

## Fostering Harmonious Communities

| Key Focus Areas | Strategic Priorities/ Commitments | 2025 Progress/Key Initiatives and Performance | Response to UNSDGs |
|---|---|---|---|
| • Corporate Giving and Responsibility | To actively engage in philanthropic initiatives that foster social inclusion and a culture of care | • Donated to Rugao Charity Federation to support impoverished elderly people and convey corporate care ● |  |
| • Resource Circulation Promotion | To spread love through clothing donation, maximise resource utilization, and promote green resource circulation. | • Launched used clothing donation initiatives to advocate resource reuse, conveying care and the concept of environmental sustainability ● | |
| • Community Engagement and Development | To give back to the community through concrete actions that support sustainable development and improve livelihoods | • Employees of the Group actively participated in voluntary blood donation, giving back to society through concrete actions ● | |



● Achieved ◐ In Progress

# Sustainability Governance and Board Oversight

## Sustainability Governance Framework

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



## Board Involvement

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

## ESG Committee

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

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

- Paying active attention to the research of the laws, regulations and policies related to the ESG, formulating and reviewing the Group's ESG management strategy, governance framework, policies, and implementation guideline;
- Identifying, prioritizing, and managing ESG-related risks and opportunities (including but not limited to climate-related risks and opportunities, as well as environmental and social risks in the supply chain), and formulating corresponding response measures;
- Reviewing stakeholder feedback (including reviewing and approving the identified list of material topics and the materiality matrix), as well as the latest market trends and peer ESG performance;
- Establishing ESG-related goals and targets aligned with material issues relevant to our business, and reviewing our progress made on a regular basis;
- Supervising the ESG working group to advance the Group's sustainability agenda;
- Reviewing the Group's annual ESG report for the Board's approval.
- Reviewing ESG related reports of the Group and other significant matters related to the ESG;
- Handling other matters as delegated by the Board.

## ESG Working Group

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

## Sustainability Risk and Opportunity Management

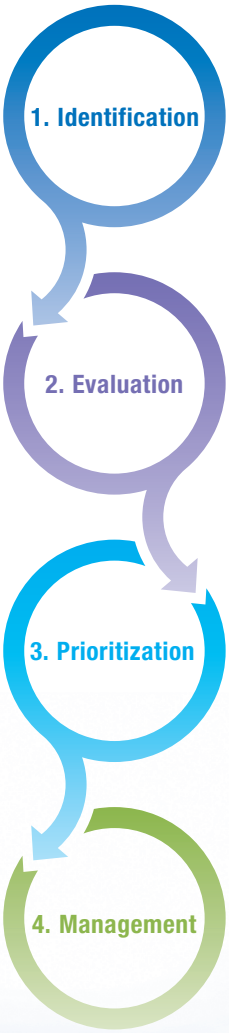
Effectively managing sustainability-related risks and opportunities is critical to the Group's long-term business resilience and is a cornerstone of sound corporate governance. The ESG Working Group regularly identifies, assesses, prioritises, and manages material sustainability risks and opportunities,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



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



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






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



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

## Stakeholder Engagement

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

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

## Stakeholder Engagement Methods

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

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

## Materiality Assessment

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

### Step 1 – Identification

- Review potential material ESG issues identified through regular stakeholder engagement

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

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

### Step 2 – Prioritization

- Assess material ESG issues from two perspectives: (i) stakeholder materiality (importance to stakeholders) and (ii) financial materiality (importance to business continuity and development)

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

### Step 3 – Review and Validation

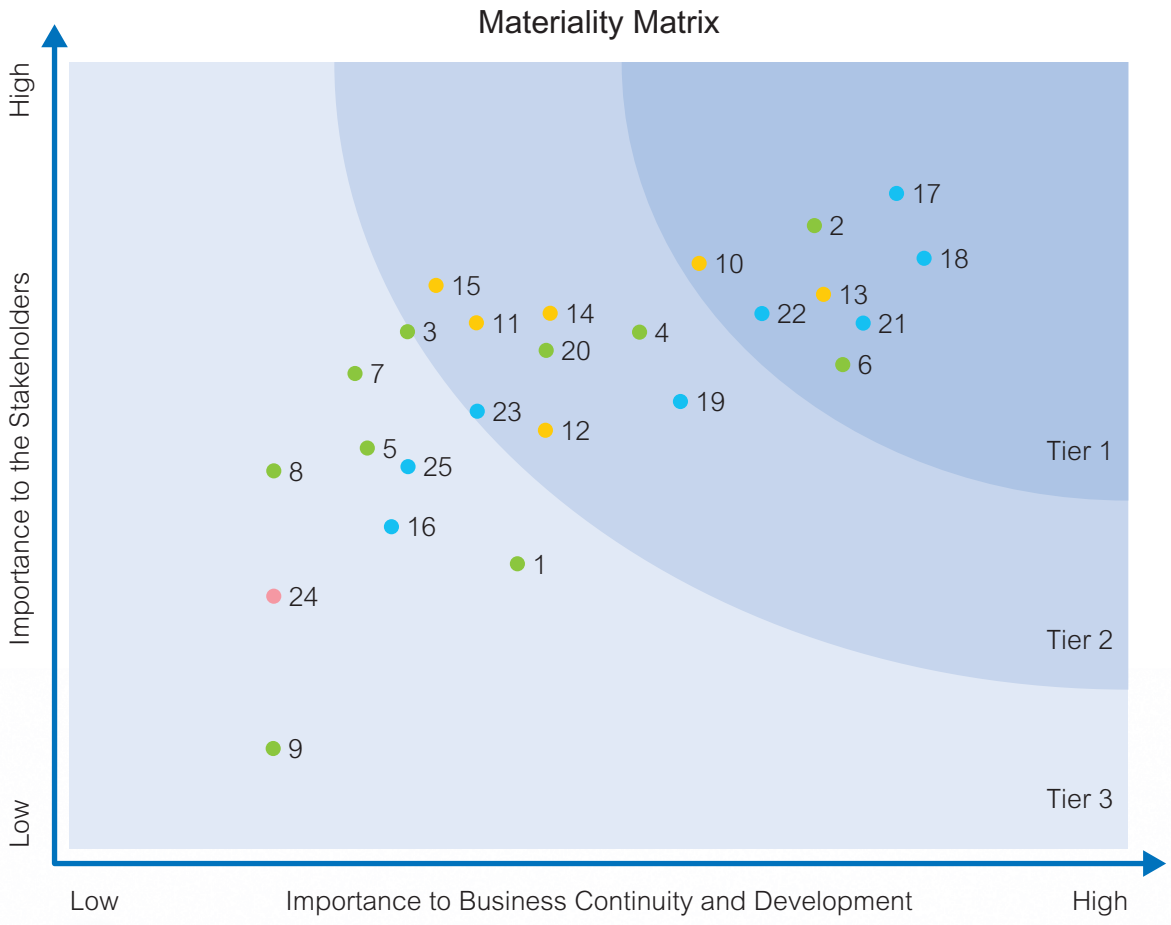
- Present the list of identified material issues and the materiality matrix to ESG Committee for review and approval

| Inflow | ESG Issues | Outflow |
| --- | --- | --- |
| • Industry resources<br>• Reference framework (e.g., SASB、IFRS S2) | | • Identified a total of 25 ESG related issues |
| The online survey is distributed to, but not limited to, the following recipients:<br>• senior management<br>• employees<br>• customers<br>• suppliers<br>• shareholders and investors | | • Prioritized material issues based on survey data |
| • Develop of materiality matrix based on survey results | | • Validated list of ESG related material issues<br>• Approval of most material issues by the ESG Committee |

## Materiality Matrix

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

During the Reporting Period, a total of 8 Tier 1 topics were identified as the most material issues and are therefore highlighted in this report.




**Tier 1: Most Material Issues**

- Empowering Green Maritime

**Tier 2: Moderate Material Issues**

- Building Low-Carbon Future
- Realising Dreams Together

**Tier 3: Relevant Material Issues**

- Fostering Harmonious Communities

## List of ESG-related Material Issues

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



# Empowering Green Maritime

# EMPOWERING GREEN MARITIME

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

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

## Green Ship Technology

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

### Case Study: R&D Innovation Capabilities

During the reporting period, the Group successfully delivered its independently developed 7000 PCTC ship waste heat recovery system, which provides new momentum for the green transition of the marine industry.

The system recovers waste heat generated during the operation of the ship's main engine and converts it into electrical energy. It can effectively reduce energy consumption during ship operation and contribute to energy-saving and emission-reduction efforts in the shipping sector. Utilizing advanced Organic Rankine Cycle ("**ORC**") technology, the system offers five key advantages: high energy efficiency, stability and reliability, a compact structure, environmental friendliness, and intelligent operation. This marks a significant breakthrough by the Group in the field of ship energy-saving and carbon reduction.

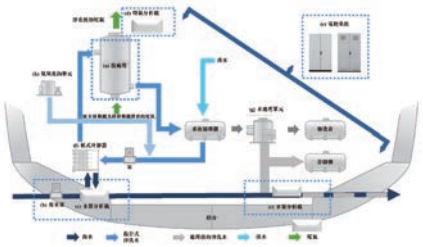
Looking forward, the Group will continue to provide maritime environmental protection equipment systems, and making positive contributions to the protection of the marine environment.




Physical diagram of Waste Heat Recovery System

## Marine Exhaust Gas Cleaning Systems

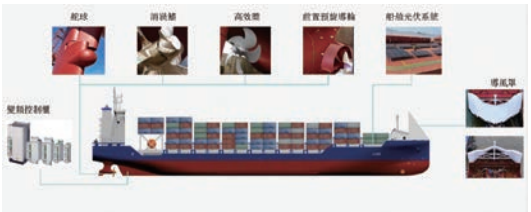
Marine Exhaust Gas Cleaning Systems



- **ESG Benefits**
  Aimed at reducing sulfur emissions from ships and mitigating the impact of shipping on air quality
- **International Emission Standards**
  Pursuit of maritime environmental protection and compliance with IMO requirement on sulfur content (2016) to reduce the sulfur content in ships' fuel from 3.5% to 0.5%

## Marine Energy-Saving Devices

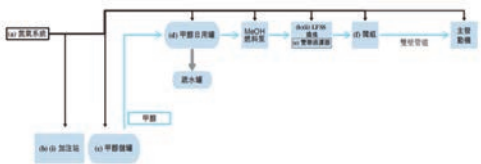
Energy-Saving Devices (including rudder bulb, pre shrouded vanes, hub vortex absorbed fins, wind deflector, etc.)



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

## Marine Clean-Energy Supply Systems

LFSS (for methanol), FGSS and CHS



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

## Maritime Services

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



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

# Quality-Excellence

## Quality Management System

The Group is committed to providing customers with high-quality, safe, and reliable maritime environmental protection equipment and systems. To ensure our products meet industry standards and safety regulations, we have established a comprehensive set of quality management policies. During the Reporting Period, ContiOcean Nantong was once again recognised as a "Level 3 Work Safety Standardisation". Our production facility are certified to the ISO 9001:2015 Quality Management System, reinforcing our commitment to quality management best practices. This certification ensures standardization and traceability across the entire product lifecycle, from research and development to production and delivery.

### Product Health and Safety Management

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

### Quality Inspection and Management Process

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

**Non-Conforming Product Management and Remedial Measures**

| | |
|---|---|
| • Identification and Handling of Non-Conforming Products | Detailed records are maintained for all products that fail to meet standards, ensuring that all issues are properly tracked and rectified. |
| • Product Traceability and Corrective Actions | Complete production records are maintained for all products, enabling rapid traceability of non-conforming products. Necessary replacements or repairs are conducted to address any identified issues. |

## Customer Satisfaction

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

**Customer Satisfaction Surveys**

To assess customer satisfaction with the Group's products and services, we have established a standardized survey and evaluation mechanism:

- Survey Frequency: Conducted once every half year to continuously monitor customer experience
- Survey Scope: Covers key indicators including product delivery, product quality, and sales and technical services
- Responsible Department: The Engineering Department is responsible for conducting surveys, consolidating and analyzing data, and reporting the results to relevant departments for corrective actions

The survey methods include:

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

**Key Customer Satisfaction Indicators**

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

**Product**

- ✓ Package
- ✓ Visual
- ✓ Workmanship
- ✓ Maneuvering
- ✓ Stability

**Service Quality**

- ✓ Sales Service
- ✓ Site Service
- ✓ Technical Supporting

**Delivery**

- ✓ Timeliness
- ✓ Integrity

## Complaint Handling

The Group places great importance on customer feedback and has established a comprehensive complaint handling policy and mechanism including but not limited to the Customer Complaint Management Measures, to ensure that all product and service-related complaints from global customers are promptly addressed and effectively resolved. This approach supports continuous improvement in our product and service quality.

We accept customer complaints through multiple channels, including on-site feedback (such as issues encountered during installation, commissioning, or operation), email, phone, WeChat, and other communication platforms. Additionally, we carefully consider quality feedback from third-party auditors or inspection agencies to ensure that all customer concerns receive the necessary attention and resolution. During the Reporting Period, the Group did not receive any major complaints related to its products and services (2024: Nil).

## Complaint Handling Procedures

| | |
|---|---|
| **1. Complaint Submission and Acceptance** | • Customers may submit complaints through phone, email, or WeChat. The responsible department will confirm whether to initiate the formal complaint handling process.<br>• A preliminary assessment is conducted based on the complaint details. If the complaint involves product quality or service issues, it will be formally recorded and proceed to the investigation phase. |
| **2. Investigation and Corrective Actions** | • The receiving department will investigate the complaint, including gathering information from the relevant parties or suppliers to verify the validity of the complaint. It will also assess whether the issue is a recurring problem.<br>• Depending on the severity of the case, the responsible department will take appropriate corrective actions to ensure effective resolution. If the issue involves supplier responsibility, actions will be taken in accordance with contract terms, including but not limited to rectification requests or, if necessary, termination of the partnership. |
| **3. Monitoring and Continuous Improvement** | • Customer complaint records will be incorporated into the human resource management system and used as part of employee performance evaluations.<br>• For supplier-related issues, complaints will be included in the supplier evaluation mechanism.<br>• Regular statistical analysis of complaint data will be conducted to identify trends and areas for improvement, serving as a critical basis for enhancing product and service quality. |

## Product Recall

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

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

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

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

During the Reporting Period, the Group had no products sold or shipped that were subject to recalls for safety and health reasons. (2024: Nil)

# Sustainable Supply Chain

## Supply Chain Management

The Group places great importance on supply chain management and has established policies and standardized processes to ensure that suppliers and related parties meet our requirements for quality, compliance, and sustainability. We have implemented a qualified supplier evaluation system that covers supplier selection, qualification assessment, performance monitoring, and risk control mechanisms. This system enhances supply chain transparency and stability. During the Reporting Period, we applied our established supplier engagement practices to 326 suppliers. (2024: 168 suppliers)

### Supplier Selection and Evaluation

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

### Supplier Management and Evaluation

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

### Supply Chain Risk Control

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

**Implementation and Monitoring Mechanism**

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

Supplier Code of Conduct

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

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

- **Environmental Protection:** Identify and manage the environmental impacts of operations, including emissions control and resource efficiency
- **Sustainable Resource Use:** Encourage the use of environmentally friendly and sustainable materials in business operations
- **Occupational Health and Safety:** Provide a safe and healthy working environment and ensure appropriate training for employees
- **Labor Rights and Human Rights Protection:** Prohibit child labor and forced labor, and uphold equal opportunities and human rights
- **Business Ethics and Integrity:** Strictly prohibit corruption, fraud, and anti-competitive behavior, and ensure compliance with applicable laws and regulations
- **Confidential Information and Privacy Protection:** Prevent data leakage and ensure the responsible use of the Group's resources

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

# Responsible Operations

## Data Security

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

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

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

## Compliance and Business Ethics

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

## Anti-Corruption

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

To ensure that employees have a thorough understanding of the Group's ethical standards and to strengthen their awareness of anti-corruption practices, our onboarding training includes content on anti-corruption and business ethics, with these principles incorporated into the employee handbook. During the Reporting Period, we provided online and offline anti-corruption trainings to the Board of Directors and all employees, focusing on codes of conduct and other relevant content, to ensure they fully understand the Group's ethical expectations.

During the Reporting Period, the Group was not aware of any concluded legal cases regarding corruption brought against the Group or its employees. (2024: Nil)

## Whistleblowing Mechanism

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

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

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

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

## Intellectual Property Protection

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

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

As of the end of the Reporting Period, the Group has obtained 96 patents and 31 software copyrights, reflecting our strong capabilities and achievements in research and development (R&D) innovation.

## Responsible Marketing

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

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



# Building Low-Carbon Future

# BUILDING LOW-CARBON FUTURE

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

## Climate-Related Disclosures

### Governance

***Board's Role and Oversight***

The Board of Directors of the Group bears ultimate responsibility for overseeing climate-related risks and opportunities. With the assistance of the ESG Committee, the Board supervises the Group's climate-related matters, including climate policies, the management of climate-related risks and opportunities, as well as the progress of the Group's "2028 Climate Target". The ESG Committee reports to the Board at least annually through formal meetings on sustainability-related matters. The scope of reporting covers climate-related matters, climate-related risks and opportunities. The Board considers trade-offs between climate factors in strategy formulation, major transaction decisions and risk management processes, balancing them against other business, financial and operational priorities, as well as the implementation progress of the climate targets, thereby integrating climate considerations into the Board's overall decision making.

Members of the Board, the ESG Committee, and the ESG Working Group possess sufficient knowledge of climate-related matters and have a thorough understanding of their potential impact on the Group's business and operations. The Group provides regular climate-related training and materials to ensure that the Board and management remain well-informed and up to date.

***Management's Role***

Under the supervision of the Board and the ESG Committee, the ESG Working Group formed by the management is responsible for assessing and managing climate-related risks and opportunities, planning and implementing climate-related measures, and reviewing climate-related policies. The ESG Working Group implements the strategic direction set by the Board by incorporating climate considerations into our daily operations.

For details, please refer to the section "Sustainability Governance and Board Oversight".

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

# Strategy

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

## Climate-Related Risk and Opportunity Management

During the Reporting Period, we further deepened the breadth and depth of our climate strategy planning by assessing the financial and non-financial impacts of climate change on the Group across dimensions, including business operations, supply chain and market environment, further enhancing our climate resilience. The table below summarises the key climate-related risks and opportunities we have identified, their financial and non-financial impacts on the business, together with our transition measures. However, since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain. As research in this area continues to evolve, we expect to strengthen our understanding and further identify relevant risks and opportunities across our core operations.

| Climate-Related Risks | | Timeframe | Financial Impacts | Non-Financial Impacts | Response Actions and Transition Measures |
|---|---|---|---|---|---|
| Physical Risk | | | | | |
| Acute Risk | Increased severity of extreme weather events, such as storms and river flooding | Ⓢ Ⓜ Ⓛ | Current Financial Impact<br>▪ Increased costs for equipment repair and maintenance<br>▪ Partial temporary sales losses in coastal business areas<br><br>Anticipated Financial Impact<br>▪ Increased costs of preventive measures that may arise from frequent extreme weather events in the short to medium term<br>▪ Potential upward adjustment of property insurance premiums amid more frequent extreme weather events in the medium to long term | ▪ The Group's overseas business operations rely on the stability of regional supply chains. Extreme weather may affect production plans and customer deliveries.<br>▪ Physical assets such as production facilities and warehousing bases are at risk of direct damage, leading to operational disruptions and loss of production capacity.<br>▪ Extreme weather increases the safety risks for employees' commuting or work operations. | ▪ Notified employees to implement adverse weather response plans in advance<br>▪ Conducted regular inspections to identify and mitigate climate-related safety hazards<br>▪ Prioritised local and nearby suppliers to minimize delays |

| Climate-Related Risks | | Timeframe | Financial Impacts | Non-Financial Impacts | Response Actions and Transition Measures |
|---|---|---|---|---|---|
| Chronic Risk | Long-term changes in weather patterns and the climate, such as sustained high temperatures | Ⓜ Ⓛ | Current Financial Impact<br>▪ No significant direct financial losses<br><br>Anticipated Financial Impact<br>▪ Rising energy costs due to increased demand for air conditioning in the medium to long term<br>▪ Increased equipment maintenance costs resulting from high-temperature wear and tear in the medium to long term<br>▪ If the Group deploys key long-term assets in coastal areas at home and abroad, it may face the risk of long-term value impairment caused by sea level rise over the long term | ▪ Continuous high temperatures may increase employee heatstroke risk, elevate equipment failure rates, disrupt supply chain stability, and intensify operational compliance pressures stemming from water usage restrictions. | ▪ Established a climate change policy and integrated climate change into our internal risk management system, including contingency plans that support business continuity and recovery in the event of business disruption<br>▪ Optimised the operating efficiency of heating, ventilation, and air conditioning (HVAC) systems |

| Climate-Related Risks | | Timeframe | Financial Impacts | Non-Financial Impacts | Response Actions and Transition Measures |
|---|---|---|---|---|---|
| Transitional Risk | | | | | |
| Policy and Legal Risk | Global and local regulatory authorities are accelerating the promotion of emission reduction requirements, including China's "dual-carbon" strategy process, carbon pricing, and the expansion of carbon markets, which may have an impact on the Group's finances and reputation. | Ⓜ Ⓛ | Current Financial Impact<br>▪ No significant direct financial losses.<br><br>Anticipated Financial Impact<br>▪ Revenue reduction resulting from reputational damage and/or loss of social license in the medium to long term. | ▪ Failure to adapt to policy changes or meet disclosure requirements may lead to strategic derailment, regulatory penalties, and damage to brand reputation. | ▪ Continued to develop maritime environmental protection equipment and systems to support the maritime sector in reducing their environmental impact and meet stricter climate-related policy requirements<br>▪ Regularly and closely monitored the latest regulatory changes in laws, policies and regulations to ensure compliance<br>▪ Promptly communicate policy updates to employees to ensure compliance |
| Market and Technology Risk | Rising customer demand for new products and services with advanced technology and lower environmental footprint | Ⓜ Ⓛ | Current Financial Impact<br>▪ Upfront investment in low-carbon products and technologies has resulted in higher R&D costs for certain items.<br><br>Anticipated Financial Impact<br>▪ In the short and medium term, sales revenue may decrease if new products underperform expectations after launch. | ▪ Failure to timely launch products that meet green demands has affected the brand's reputation.<br>▪ Failure to fully utilize the government's support policies for low-carbon technologies has led to the loss of development resources. | ▪ Established an R&D team to drive the development of new products and services<br>▪ Our production facility has obtained the ISO 14001:2015 Environmental Management Systems certification |

| Climate-Related Opportunities | | Timeframe | Financial Impacts | Non-Financial Impacts | Response Actions and Transition Measures |
|---|---|---|---|---|---|
| Products and Services | Increased market demand for products and services related to maritime environmental protection equipment and systems | Ⓢ Ⓜ | Current Financial Impact<br>▪ Driven by environmental policy guidance and changing consumer preferences, market demand for green and low-carbon solutions has expanded, attracting capital inflows.<br><br>Anticipated Financial Impact<br>▪ Developing expertise in low-carbon energy technologies in the short and medium term will help attract investors keen to participate in the energy transition, thereby driving revenue growth. | ▪ Society and enterprises are accelerating the popularization of clean technologies, and the market opportunities for value chains with transparent low-carbon and green characteristics and leading enterprises in the chains are increasing. | ▪ Developed comprehensive equipment and systems for the maritime environmental protection sector<br>▪ Developed core technologies in fields including marine exhaust gas cleaning system, marine energy saving device, marine clean energy supply system, and maritime services<br>▪ Developed policies and measures relating to product quality and obtained the ISO 9001:2015 Quality Management System certification in our production facility |
| Market – Growing markets for maritime environmental protection equipment and systems | Strengthened maritime environmental protection and climate-related legal and regulatory frameworks, including the IMO's emissions requirements, leading to growing markets | Ⓜ Ⓛ | Current Financial Impact<br>▪ Growing customer attention to climate change has created opportunities to enhance market attractiveness and drive revenue growth for sustainable products and services.<br><br>Anticipated Financial Impact<br>▪ The continuous expansion of the market for marine environmental protection equipment and systems in the medium to long term will lead to increased revenue. | ▪ It closely aligns with the country's "dual-carbon" policy, gains government support and industry recognition, and enhances brand reputation and market competitiveness. | ▪ Continued to develop comprehensive maritime environmental protection equipment and systems to support the decarbonization of the maritime sector<br>▪ Regularly monitored changes in policies, laws, and regulations to capture the associated market trends and opportunities |

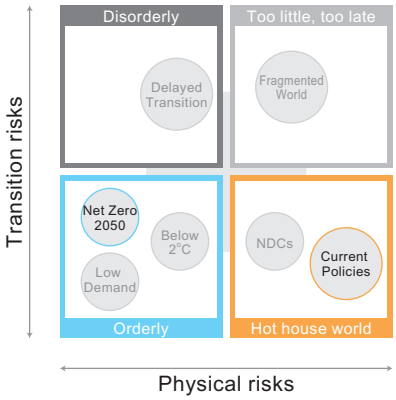
Ⓢ Short-term (2030) Ⓜ Medium-term (2040) Ⓛ Long-term (2050)

## Climate Scenario Analysis

During the Reporting Period, the Group conducted climate scenario analysis for the first time to assess the resilience of its strategy and business model against a range of potential climate risks. The analysis covered the Group's core operations in Chinese mainland at the corporate level, aiming to provide a basis for strategic planning and risk management. The results of the analysis have informed our strategic planning, risk management and resource allocation across different time horizons.

### *Scenario and Model Application*

We used the Network for Greening the Financial System ("**NGFS**")[1] as the primary data source, and selected a low-carbon scenario (namely the "**Net Zero 2050 scenario**") and a high-carbon scenario (namely the "**Current Policies**" scenario) respectively, as they are the internationally recognised, among the publicly available scenario sources, and are directly relevant to the Group. The scenario analysis is not intended to predict the future, but to stress test the Group's business through several plausible future scenarios. The uncertainty is subject to the current limitations of available literature and data in quantifying the influence of climate with certainty. Our current approach was based on a snapshot of our current situation and assumed no change in our major business operations, operating locations or carbon mitigation measures, and no correlation between different climate risk variables. Going forward, we will continue to refine our approach to climate scenario analysis as new credible data and methodologies become available.




In terms of analysis indicators, we integrated global climate models, regional climate data and industry projections to assess the physical risk and transition risk highly relevant to the Group's operations. The scope covers physical risk indicators such as tropical cyclones, floods and heatwaves, as well as carbon pricing levels that may affect operating costs and transition pressure. The analysis indicates that all risks assessed are low risks under all evaluated climate scenarios. Please refer to the table below for an overview of the selected time horizons, climate scenarios and analysis results.

[1] NGFS is a group of central banks and supervisors who share best practices, contribute to developing climate and environment risk management in the financial sector, and mobilise mainstream finance to support the transition to a sustainable economy.

### *Time Horizon and Climate Scenario Selection*

| Risk Indicators/Variables | | Time Horizon | NGFS Scenario Selection |
|---|---|---|---|
| Physical Risk | Acute Risk:<br>• Tropical<br>• cyclones<br>• Floods<br>Chronic risk:<br>• Heatwaves | 2030 (short-term)<br>2040 (medium term)<br>2050 (long-term) | Net Zero 2050 (Orderly)<br>• Assumes rapid climate policy and technological transition, achieving net zero $CO_2$ emissions by around 2050, limiting global warming to 1.5 °C[2] with minimal overshoot. Physical risk is limited, while transition risk is high.<br><br>Current Policies (Hot House World)<br>• Assumes only existing policies are maintained, leading to continued emission growth until 2080 and warming of approximately 3° C, triggering multiple severe physical risks including irreversible impacts such as sea level rise. |
| Transition Risk | Policy and Legal Risks :<br>• Carbon pricing | | |

### *Scenario Analysis Results*

*Risk level:* • *High* • *Moderate* •*Low*

| Risk Indicators/Variables | | Impact Level | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Chinese Mainland | Net Zero 2050 | | | Current Policies | | |
| | | | 2030 | 2040 | 2050 | 2030 | 2040 | 2050 |
| Physical Risk | Tropical cyclones | ✓ | • | • | • | • | • | • |
| | Floods | ✓ | • | • | • | • | • | • |
| | Heatwaves | ✓ | • | • | • | • | • | • |
| Transition Risk | carbon pricing | ✓ | • | • | • | • | • | • |

[2] Aligned with the Paris Agreement's goal in limiting warming to 1.5° C above pre-industrial level.

***Climate Resilience and Adaptability***

The results of climate-related scenario analysis inform the Group's assessment of the resilience of its strategies and operating models under different scenarios and time horizons. The analysis deepens the understanding of the potential impacts of climate change on the Group's operations and strategic positioning, and provides a basis for identifying priority areas for strengthening risk management, strategic adjustment or resource allocation.

The Group maintains the ability to adjust its strategies and operating models in the short, medium and long term through existing risk management and strategic planning processes. The scenario analysis results have been integrated into relevant processes to support the Group in making timely and prudent decisions, effectively responding to evolving climate-related risks and opportunities, thereby strengthening long-term operational resilience and driving sustainable value creation.

## Risk Management

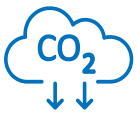
The Board bears ultimate responsibility for formulating and implementing the risk management mechanism. Under the supervision of the ESG Committee and with the assistance of the ESG Working Group, we optimized the sustainability risk and opportunity assessment during the Reporting Period, including climate-related risks and opportunities. We identify, assess and manage the potential impacts and likelihood of climate-related risks and opportunities, and prioritize them accordingly. The Group formulates corresponding risk mitigation measures based on the assessment results to enhance our risk response capabilities.

For details, please refer to the section "Sustainability Risk and Opportunity Management".

## Metrics and Targets

We are committed to addressing climate change and actively reducing GHG emissions within our operations. In support of China's 3060 goal, namely peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, and taking into account the Paris Agreement, an international climate agreement aimed at limiting global warming to 1.5°C above pre-industrial levels, the Group has formulated a clear carbon reduction pathway based on its business characteristics and is steadily advancing its low-carbon transition. Within this framework, we disclosed key climate-related metrics in our annual ESG Report, including Scopes 1, 2 and 3 GHG emissions and energy consumption, etc., and also established "Green Targets", including the "2028 Climate Target"[2]. We report the achievement status of the metrics and targets to the Board of Directors annually to continuously monitor and improve our environmental performance. To enhance our operational resilience to climate change, we have established the following green targets:

[2] Our GHG target applies to our core businesses. Details of the scope are set out in the section headed "Reporting Scope and Period". We will consider the potential use of carbon credits as part of our decarbonisation pathway and continue to monitor relevant guidance and market developments relating to carbon credits and offsets, including HKEX guidance on the use of carbon credits to offset greenhouse gas emissions in achieving greenhouse gas emissions targets.

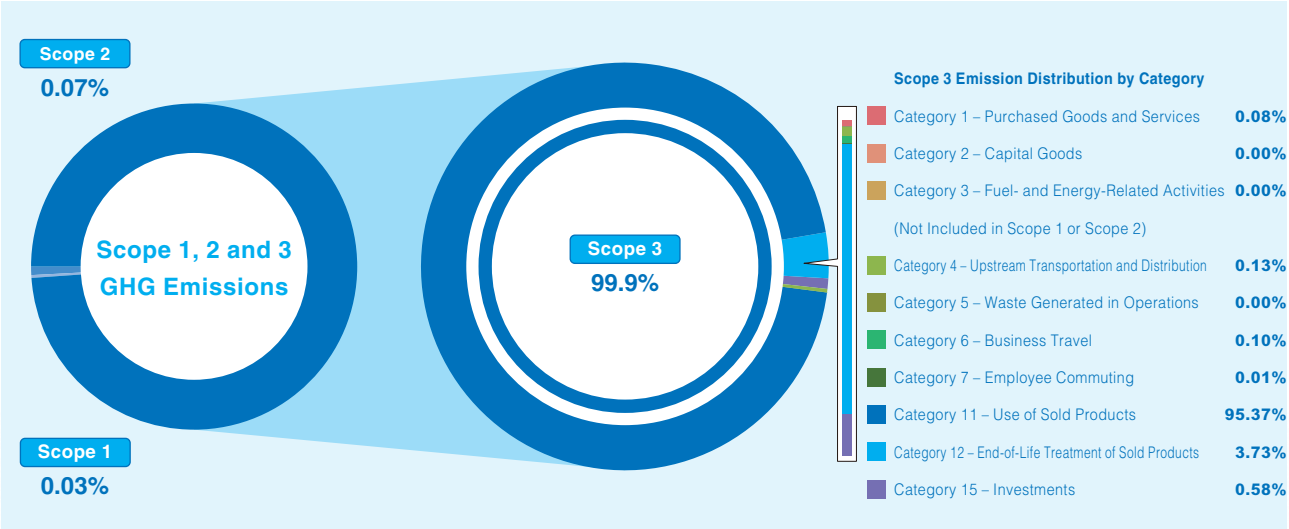
| Our Green Targets | | | Progress |
|---|---|---|---|
|  | Emissions | • Reduce greenhouse gas (GHG) emissions intensity (Scope 1 and 2) by 3% by 2028, using 2023 as the baseline |  In Progress |
| | | • Minimize air emissions from daily operations |  Achieved |
|  | Wastes | • Maintain 100% collection,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

The Group's direct and indirect energy consumption, as well as the associated greenhouse gas emissions, are disclosed in the "Key Performance Indicators" section of this report.

In addition, to improve the value chain carbon footprint management system, we continued to optimize the screening and classification of Scope 3 emission sources (i.e., indirect GHG emissions generated from upstream and downstream value chain activities) during the Reporting Period, and established a Scope 3 emission inventory covering value chain activities. In accordance with the Greenhouse Gas Protocol, and taking into account the Group's actual operating model and supply chain characteristics, we identified and accounted for 9 material emission categories highly relevant to our operations. Further details can be found in the section "Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology".

## Overview of GHG Emissions

The distribution of the Group's GHG emissions in 2025 is shown in the figure below:




The Scope 3 emissions included available data from the 10 applicable categories in 2025, reflecting our ongoing efforts to enhance data accuracy and improve methodologies. For further details, please refer to the section headed "Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology".

## Low-Carbon Operations

Electricity consumption is one of the primary components of the Group's environmental footprint and a key focus of our resource management strategy. To further improve energy efficiency and reduce unnecessary consumption, we continually optimize facility operations and strengthen internal energy management mechanisms to support operational stability and sustainable development. We will continuously review the effectiveness of current measures and explore the introduction of more efficient energy-saving technologies and intelligent management tools to support the Group’s transition towards low-carbon operations.

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

- Adopt high-efficiency energy-saving lighting equipment (e.g., LED) to replace traditional light sources and reduce baseline lighting energy consumption
- Utilize natural daylight to reduce reliance on artificial lighting during the day
- Set air conditioning temperature guidelines (maintaining 24–26° C in summer and activating heating as necessary in winter) to balance comfort and energy efficiency
- Implement regional electricity consumption monitoring and data tracking, gradually installing sub-metering systems to enhance energy analysis and performance assessment
- Appoint energy-saving responsible persons to monitor electricity usage in key areas, strengthening energy management awareness at the departmental level
- Encourage employees to actively switch off idle appliances and foster a culture of energy conservation through internal advocacy

## Case Study: ContiOcean Nantong Empowers Green Factory Construction with Self-Developed Photovoltaic Technology

To implement the sustainable development goals and strengthen the enterprise's ESG governance, the Group installed a self-developed photovoltaic power generation system on the roof of its own factory during the Reporting Period. The project includes 136 photovoltaic panels and 3 supporting grid-connected inverters, continuously generating green energy and effectively reducing traditional electricity consumption.

Currently, the system generates over 200 kWh of electricity per day, which can reduce carbon dioxide emissions by approximately 157 to 200 kilograms per day. By the end of 2025, the total annual electricity generation reached 16,880 kWh, reducing carbon dioxide emissions by 13.25 to 16.88 tons in total, providing strong support for the Group to promote green operations and achieve carbon reduction goal.



## Greenhouse Gas and Air Emissions Management

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

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

Management strategy and key practices include:

- Source Control and Equipment Management:
    - Install welding fume purifiers in the production process to capture and filter smoke and particulates released during welding operations, reducing harmful emissions and improving air quality in the work environment
    - In logistics and transportation management, we regularly maintain company vehicles to enhance fuel efficiency and reduce exhaust emissions
- Green Travel and Business Travel Management: Encourage employees to use public transportation or non-motorized travel methods, and minimize business travel carbon footprints by utilizing virtual meeting systems.
- Renewable Energy Exploration and Technology Assessment: Gradually assess the potential applications of solar energy and other low-carbon energy sources in offices and production facility to reduce overall carbon emissions.

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

## Waste and Packaging Materials Management

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

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

1. Transitioning to electronic communication systems
2. Encouraging employees to select double-sided printing when printing documents
3. Reusing paper that has already been used

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

In hazardous waste management, the Group entrusts accredited third-party agencies with the handling of hazardous waste. These agencies possess the necessary qualifications and experience to manage special waste in compliance with national and regional environmental regulations, ensuring the safety, effectiveness, and compliance of hazardous waste transportation, storage, and disposal processes.

The Group also regularly audits these partners' operations to ensure that their handling processes and environmental management systems comply with the latest legal requirements. The Group firmly believes that employee education is a key factor in driving successful waste management. By conducting regular training sessions, we enhance employees' knowledge in areas such as waste sorting. This not only increases environmental awareness but also fosters a collective commitment to environmental protection within the team.

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



### Case Study: Promote Green Office and Low-Carbon Management

To promote a green office culture, the Group fully implemented waste classification and resource management measures during the Reporting Period, striving to improve resource utilization efficiency, reduce environmental impact, and enhance the level of corporate sustainable development management. The relevant measures and their effectiveness are as follows:

1. **Improving resource utilization efficiency**
   The Group uniformly recovers recyclables such as waste paper, plastics, and metals, and conducts resource treatment through internal reuse or by qualified recyclers, effectively reducing reliance on primary resources and promoting the development of a circular economy.
2. **Reducing environmental and safety risks**
   Hazardous wastes (such as batteries and ink cartridges) are collected separately and stored independently, and properly disposed of in accordance with relevant regulations, effectively preventing pollution to soil and water bodies and reducing potential fire risks.
3. **Optimising operational cost management**
   By reducing the amount of general waste generated and the need for transportation, the cost of waste disposal is lowered, and the standardization and efficiency of overall environmental management are improved.
4. **Strengthening employees' environmental awareness**
   Through full employee participation and daily supervision mechanisms, employees are cultivated with good environmental habits, creating a green office culture and further supporting the Group in achieving its ESG goals.

## Water Resource Management

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



The Group has implemented the following measures regarding water facilities:

1. Regular inspection and maintenance of facilities
2. Investment in equipment that meets water efficiency standards
3. Monitoring water usage

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

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

1. Regular training to help employees understand how to conserve water in daily work
2. Signage in high-water-usage areas to remind employees of the importance of water conservation

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

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

## Green Procurement

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

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

## Promoting the Circular Economy

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

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

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

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



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

## Maintaining Ecosystems and Biodiversity

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

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

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

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



# Realising Dreams Together

# REALISING DREAMS TOGETHER

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

## Human Capital Management

The Group has developed and implemented a comprehensive set of policies relating to key areas such as compensation and dismissal, recruitment and promotion, working hours, leave entitlements, equal opportunities, diversity, anti-discrimination, and other benefits and welfare, health and safety, development and training, and labor standards. The policies are designed to provide fairness, transparency, and equity in all employment-related matters.

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

### Talent Recruitment and Hiring

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

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

## Diversity, Equality, and Inclusion

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

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

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

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

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

## Board Diversity

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

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

In order for the Board to be effective, we may set additional measurable objectives/specific diversification targets and review them from time to time to ensure that the relevant targets are appropriate and feasible. For more details, please refer to the 2025 Annual Report – Corporate Governance Report part.

## Employee Training and Development

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

### Training and Development Strategy

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

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

## Training Programs

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

### Internal Training

- **Basic Knowledge Training:** Training is provided on the management systems, departmental regulations, industry policies, and relevant laws and regulations to enhance employees' understanding of business operations, improve compliance awareness and management capabilities, and promote teamwork.
- **Professional Knowledge Training:** Training is offered on the Group's products and professional areas to enhance employees' vocational skills and expertise, strengthen market competitiveness, and help them stay updated with industry trends and technological innovations, supporting their career development.
- **New Employee Training Camp:** During the Reporting Period, the Group launched the "New Employee Training Camp Program", inviting relevant departments to conduct orientation training for new employees, elaborating on the Group's development history, work norms, and specific departmental work requirements, etc., to help new employees quickly familiarize themselves with the situation and better integrate into the team.





### Internal Sharing and Communication Mechanism

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








### Enhancing Employees' ESG Awareness

- **ESG-themed training:** Invite experts to share ESG-related knowledge, deepening employees' understanding and application of corporate sustainable development.
- **Employee experience exchange:** Encourage colleagues to share daily environmental protection practices and promote a green lifestyle culture.

### Encouraging External Training

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

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



**External Training**

- **Middle Management Training:** The Group continues to strengthen its middle management team. During the Reporting Period, a number of mid-level managers were selected to participate in external professional training, totaling 154 working hours. The courses cover 10 major modules including strategy execution, leadership improvement, team management, and financial management, systematically enhancing the overall competence of the managers.

## Employee Rights and Well-being

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

The Group firmly opposes child labor and forced labor, and is dedicated to creating a safe and just work environment. The Group's human resources department rigorously verifies the age, work history, and identification documents of all candidates, to verify that they meet the legal working age. If any cases of child labor are identified, the Group will immediately terminate the employment relationship and take necessary actions, including reporting to relevant law enforcement authorities. Additionally, the Group has established detailed policies regarding working hours, rest periods, and vacation arrangements to prevent overwork and forced labor. We regularly review our employment practices to prevent child labor and forced labor. Regular training on the prevention of child and forced labor is provided to personnel responsible for recruitment. We will also assess the effectiveness of our human resources management systems.

## Compensation, Benefits, and Employee Welfare

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

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

### Employee Communication and Engagement

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

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

## Occupational Health and Safety

The health, safety, and well-being of our employees are always our top priority. The Group is committed to fostering a corporate culture centered on care, safety awareness, and risk prevention, covering all aspects of our business operations. The Group reduces potential risks and prevents workplace accidents through a series of safety management measures, ensuring the health and safety of our employees.

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

**Safety Monitoring**

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

## Case Study: Achieving Annual Safety Targets to Build a Zero-Incident Workplace

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

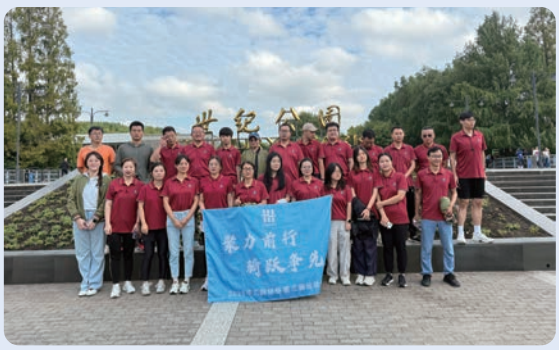
## Case Study: Strengthening Fire Safety Awareness and Safeguarding Workplace Safety

The Group attaches great importance to workplace fire safety. During the Reporting Period, we conducted comprehensive fire accident drills. The drills were carried out in an orderly manner in accordance with the established plan and procedures, which tested and improved employees' fire safety awareness and emergency evacuation capabilities. They also strengthened and comprehensively enhanced employees' awareness of fire prevention and emergency response capabilities, as well as their understanding of the precautions for emergency rescue of injured personnel.

## Caring for Employees

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





### Focus on Employee Health and Well-being

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

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

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



### Promoting Women's Empowerment and Diversity and Inclusion

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

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

### Enhancing Team Cohesion

We value teamwork and intergenerational integration. Through diverse exchange activities, we strengthen mutual connections and rapport, creating a more united and trusting workplace environment:

- Organizing expansion activities for new and old employees to promote interaction and communication between them and build team trust;
- Carrying out annual team-building activities to enhance employees' sense of team belonging and identity with the enterprise;
- Hosting traditional festival-themed activities, such as the "Lantern Festival Celebration Theme Activity", allowing employees to feel the company's care in a strong festive atmosphere and strengthen emotional bonds.










# Fostering Harmonious Communities

# FOSTERING HARMONIOUS COMMUNITIES

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

During the Reporting Period, our community investment focused on three key areas: supporting local charitable and public welfare causes, promoting g green resource recycling, and caring for vulnerable groups in the community. Through practical actions, we aim to make a positive impact and establish strong trust and connections with the community.

## Supporting Local Charitable and Public Welfare Causes

The Group continues to pay attention to social health public welfare undertakings, organises and carries out voluntary blood donation public welfare activities, and calls on employees to actively participate in social welfare and fulfill social responsibilities. During the event, many employees actively responded to the call and voluntarily participated in voluntary blood donation, providing strong support for the supply of social medical blood.



## Promoting Green Resource Recycling

During the Reporting Period, we carried out a public welfare activity of donating clothes with love, encouraging employees to actively participate in clothing donations. With the original intention of passing on love, making the best use of things, and turning waste into treasure, this activity advocates the concepts of green and low-carbon as well as mutual assistance and fraternity, and guides employees to sort out and donate their idle clothes, endowing old clothes with new use value.

## Caring for Vulnerable Groups in the Community

The Group actively fulfills its social responsibilities, focusing on caring for local disadvantaged groups. It has made a charitable donation of RMB10,000 to the Rugao Charity Foundation, which will be used to assist disadvantaged elderly groups. By supporting local charitable and public welfare undertakings, the company helps improve the living conditions of vulnerable groups, conveys corporate warmth and social care, and participates in local people's livelihood security through practical actions.

# KEY PERFORMANCE INDICATORS

## Environmental Aspect[3,4]

| Indicator | Unit | 2025 | 2024 |
|---|---|---|---|
| **GHG Emissions[5]** | | | |
| Total GHG emissions (Scopes 1 and 2) | t-$CO_2$e | 197.76 | 204.70 |
| Total GHG emissions (Scopes 1, 2 and 3) | t-$CO_2$e | 261,460.09 | – |
| • Direct emissions (Scope 1) | t-$CO_2$e | 61.38 | 59.69 |
| • Energy indirect emissions (Scope 2 – location based) | t-$CO_2$e | 136.38 | 145.01 |
| • Other indirect emissions (Scope 3)[6] | t-$CO_2$e | 261,262.33 | – |
| Intensity of total GHG emissions (Scopes 1 and 2) | t-$CO_2$e/million RMB Revenue | 0.52 | 0.51 |
| Intensity of total GHG emissions (Scopes 1, 2 and 3) | t-$CO_2$e/million RMB Revenue | 682.34 | – |
| **Air Emissions** | | | |
| Nitrogen oxides ($NO_x$) | kg | 14.30 | 29.60 |
| Sulphur oxides ($SO_x$) | kg | 0.78 | 0.99 |
| Particulate matter (PM) | kg | 0.91 | 1.48 |
| **Energy Consumption** | | | |
| Total energy consumption | MWh | 467.79 | 444.69 |
| • Purchased electricity | MWh | 236.07 | 237.68 |
| • On-Site Renewable Electricity | MWh | 16.88 | – |
| • Gasoline | MWh | 194.27 | 187.13 |
| • Diesel oil | MWh | 8.05 | 10.38 |
| • Natural Gas | MWh | 12.52 | 9.51 |
| Intensity of total energy consumption | MWh/million RMB Revenue | 1.22 | 1.10 |
| **Water Consumption[7]** | | | |
| Total water consumption | $m^3$ | 1,088.22 | 2,727.00 |
| Intensity of total water consumption | $m^3$/million RMB Revenue | 2.84 | 6.75 |

3 Environmental key performance indicators ("**KPIs**") covers our offices and production facilities located in Shanghai and Nantong.

4 Totals may not be the exact sum of numbers shown here due to rounding.

5 In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 energy indirect emissions are resulted from the generation of purchased or acquired electricity consumed within the Group. Other indirect emissions in Scope 3 occur within the Group's value chain.

6 The Scope 3 emissions include available data from the applicable categories. For details, please refer to the section "Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology".

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

| Indicator | Unit | 2025 | 2024 |
|---|---|---|---|
| **Waste Generation** | | | |
| **Non-hazardous waste** | | | |
| Total non-hazardous waste generated | tonnes | 43.04 | 49.25 |
| Intensity of total non-hazardous waste generated | tonnes/million RMB Revenue | 0.11 | 0.12 |
| **Hazardous waste** | | | |
| Total hazardous waste generated | tonnes | 0.07 | 0.07 |
| Intensity of total hazardous waste generated | tonnes/million RMB Revenue | 0.00018 | 0.00017 |
| **Packaging Material** | | | |
| Total packaging material used | tonnes | 26.74 | 35.69 |
| Intensity of total packaging material used | tonnes/million RMB Revenue | 0.07 | 0.09 |

## Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology

| Scope 3 Categories | Applicability | Methodology[8] / Justification for Exclusion | 2025 (t-$CO_2e$) |
|---|---|---|---|
| 1 Purchased goods and services | Yes | Spend-based<br>The primary spend data related to purchased services are multiplied by the corresponding Scope 3 GHG emission factors ("emission factors"). | 201.36 |
| 2 Capital goods | Yes | Spend-based<br>The primary spend data related to fixed assets are multiplied by the corresponding emission factors. | 6.42 |
| 3 Fuel- and energy-related activities (not included in scope 1 or scope 2) | Yes | Average Data<br>Emissions for this category are calculated by multiplying electricity consumption by the corresponding emission factor derived from the national average transmission and distribution loss rate. | 10.98 |
| 4 Upstream transportation and distribution | Yes | Spend-based<br>The spend data related to transportation and distribution of purchased goods are multiplied by the corresponding Scope 3 GHG emission factors. | 342.78 |
| 5 Waste generated in operations | Yes | Waste-type-specific<br>The spend data related to waste management services are multiplied by the corresponding emission factors associated with general waste treatment services. | 5.80 |
| 6 Business travel | Yes | Spend-based<br>Emissions in this category are derived from the amount the Group's spend on "airplane", "train", "automobile" and "accommodation", are multiplied by the corresponding emission factors. | 248.49 |
| 7 Employee commuting | Yes | Average Data<br>Emissions in this category derived from the Group's number of employees multiplied by the corresponding emission factors. | 31.64 |

[8] The Scope 3 emissions include available data from the applicable categories.

| Scope 3 Categories | Applicability | Methodology[8] / Justification for Exclusion | 2025 (t-$CO_2e$) |
|---|---|---|---|
| 8 Upstream leased assets | No | The emissions of leased offices are identified as Scope 2 emissions. | – |
| 9 Downstream transportation and distribution | No | Since the Group's products do not involve downstream transportation and distribution, this category is not included in the calculation. | – |
| 10 Processing of sold products | No | Since the products of the Group do not require further processing after being sold, his category is not included in the calculation. | – |
| 11 Use of sold products | Yes | Products that directly consume energy (fuel or electricity) during use<br>Using the expected energy consumption data of the sold products, the emissions for this category were calculated by multiplying them by the corresponding expected emission factor for the whole usage phase. | 249,155.75 |
| 12 End-of-life treatment of sold products | Yes | Waste-type-specific method<br>The emission figures for this category are taken from the weight of the sold products and their packaging, multiplied by the corresponding emission factor to calculate the emission for this category. | 9,745.89 |
| 13 Downstream leased assets | No | Since the Group had no downstream leased assets during the reporting year, this category is not included in the calculation. | – |
| 14 Franchises | No | Since we do not have any franchise business, this category is not included. | – |
| 15 Investments | Yes | Average Data<br>This category emission figure is taken from the investee company's industry and revenues, multiplied by an industry-specific emission factor, and adjusted for our equity stake. | 1,513.20 |

## Social Aspect

| Indicator | Unit | 2025 | 2024 |
|---|---|---|---|
| **Workforce Profile[9]** | | | |
| Total workforce | Number of people | 133 | 111 |
| **By gender** | | | |
| Male | Number of people | 89 | 72 |
| Female | Number of people | 44 | 39 |
| **By employee contract** | | | |
| Full-time | Number of people | 133 | 111 |
| Part-time | Number of people | 0 | 0 |
| **By employee category** | | | |
| General and technical employees | Number of people | 93 | 74 |
| Middle level management | Number of people | 28 | 30 |
| Senior management | Number of people | 12 | 7 |

9 Data of the whole Group has been included

| Indicator | Unit | 2025 | 2024 |
|---|---|---|---|
| **By age group** | | | |
| At or below 30 | Number of people | 40 | 37 |
| Between 31-50 | Number of people | 80 | 64 |
| At or above 51 | Number of people | 13 | 10 |
| **By geographical regions** | | | |
| Chinese Mainland | Number of people | 120 | 97 |
| Hong Kong | Number of people | 2 | 2 |
| Other regions | Number of people | 11 | 12 |
| **Turnover Rate[10]** | | | |
| By gender | | | |
| Male | % | 11 | 14 |
| Female | % | 16 | 18 |
| **By age group** | | | |
| At or below 30 | % | 23 | 22 |
| Between 31-50 | % | 10 | 11 |
| At or above 51 | % | 0 | 20 |
| **By geographical regions** | | | |
| Chinese Mainland | % | 11 | 16 |
| Hong Kong | % | 0 | 0 |
| Other regions | % | 36 | 8 |
| **Health and Safety** | | | |
| Number of injuries | Number of cases | 0 | 2 |
| Lost days due to work injuries | Days | 0 | 110 |
| Number and rate of work-related fatalities[11] | Number of cases／% | 0 | 0 |

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

11 Included the past three years with the reporting year covered.

| Indicator | Unit | 2025 | 2024 |
|---|---|---|---|
| **Development and Training[12]** | | | |
| **Percentage of employee trained** | | | |
| **By gender** | | | |
| Male | % | 66 | 71 |
| Female | % | 34 | 29 |
| **By employee category** | | | |
| General and technical employees | % | 70 | 73 |
| Middle level management | % | 20 | 22 |
| Senior management | % | 10 | 5 |
| **Average Training Hours Completed per Employee** | | | |
| **By gender** | | | |
| Male | Hours | 14.65 | 13.51 |
| Female | Hours | 7.41 | 12.59 |
| **By employee category** | | | |
| General and technical employees | Hours | 6.40 | 14.55 |
| Middle level management | Hours | 14.76 | 9.06 |
| Senior management | Hours | 58.50 | 16.14 |
| **Supply Chain Management** | | | |
| **By Geographical Regions** | | | |
| Chinese Mainland | Number of Suppliers | 305 | 167 |
| Other Regions | Number of Suppliers | 21 | 1 |

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

# APPENDIX 1 SIGNIFICANT LAWS AND REGULATIONS

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

| Aspects | Significant laws and regulations | Relevant compliance situation |
|---|---|---|
| **B1: Employment**<br>**B4: Labour Standards** | • Labour Law of the PRC (《中華人民共和國勞動法》)<br>• Labour Contract Law of the PRC (《中華人民共和國勞動合同法》)<br>• Regulations on the Implementation of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》)<br>• Social Insurance Law of the PRC (《中華人民共和國社會保險法》)<br>• Regulations on Management of Housing Provident Fund (《住房公積金管理條例》)<br>• Law of the People's Republic of China on Protection of Minors (《中華人民共和國未成年人保護法》)<br>• Regulation on Labor Security Supervision (《勞動保障監察條例》)<br>• Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》)<br>• Employees' Compensation Ordinance<br>• Mandatory Provident Fund Schemes Ordinance<br>• Employment Ordinance<br>• Employment Act<br>• Workplace Fairness Bill<br>• Employment of Foreign Manpower Act (EFMA)<br>• Penal Code<br>• Labor (Código do Trabalho)<br>• Law on the Protection of Minors<br>• Working Environment Law (Arbeidsmiljøloven)<br>• Employee Law<br>• Collective Bargaining Agreement<br>• Anti-Discrimination Law (Diskrimineringsloven) | During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on its operations. |

| Aspects | Significant laws and regulations | Relevant compliance situation |
|---|---|---|
| **B2: Health and Safety** | • Fire Safety Law of the PRC (《中華人民共和國消防法》)<br>• PRC Production Safety Law (《中華人民共和國安全生產法》)<br>• Prevention and Control of Occupational Diseases Law of the PRC (《中華人民共和國職業病防治法》)<br>• Occupational Safety and Health Ordinance<br>• Workplace Safety and Health Act<br>• Labor (Código do Trabalho)<br>• Occupational Health and Safety Act (Lei da Saúde e Segurança no Trabalho)<br>• Social Security Act<br>• Working Environment Law (Arbeidsmiljøloven)<br>• Worker Protection and Working Environment Act | During the Reporting Period, the Group was not aware of any material non compliance with relevant laws and regulations that have a significant impact on its operations. |

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

| Aspects | Significant laws and regulations | Relevant compliance situation |
|---|---|---|
| **B7: Anti-corruption** | • Criminal Law of the PRC (《中華人民共和國刑法》)<br>• Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》)<br>• Prevention of Bribery Ordinance<br>• Corruption, Drug Trafficking and Serious Crimes Act (CDSA)<br>• Penal Code | During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on its operations. |

# APPENDIX 2 HKEX ESG REPORTING CODE CONTEXT INDEX

| General Disclosure | Content | Section |
|---|---|---|
| Aspect A1: Emissions | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Greenhouse Gas and Air Emission Management |
| A1.1 | The types of emissions and respective emissions data. | Key Performance Indicators – Environmental Aspect |
| A1.2 | Repealed 1 January 2025 | Not applicable |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Key Performance Indicators – Environmental Aspect |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Key Performance Indicators – Environmental Aspect |
| A1.5 | Description of emission target(s) set and steps taken to achieve them. | Climate-Related Disclosure |
| 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. | Climate-Related Disclosure |
| Aspect A2: Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Low-Carbon Operations<br>Water Resource Management |
| A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Key Performance Indicators – Environmental Aspect |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Climate-Related Disclosure |
| 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. | Climate-Related Disclosure<br>Water Resource Management |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Key Performance Indicators – Environmental Aspect |

| General Disclosure | Content | Section |
|---|---|---|
| **Aspect A3: The Environment and Natural Resources** | | |
| General Disclosure | Policies on minimising the issuer's significant impact on the environment and natural resources. | Maintaining Ecology and Biodiversity |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | |
| **Aspect B1: Employment** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Human Capital Management |
| B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Key Performance Indicators – Social Aspect |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | |
| **Aspect B2: Health and Safety** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to providing a safe working environment and protecting employees from occupational hazards. | Occupational Health and Safety |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period. | Key Performance Indicators – Social Aspect |
| B2.2 | Lost days due to work injury. | |
| B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | Occupational Health and Safety |
| **Aspect B3: Development and Training** | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Employee Training and Development |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Key Performance Indicators – Social Aspect |
| B3.2 | The average training hours completed per employee by gender and employee category. | |

| General Disclosure | Content | Section |
|---|---|---|
| **Aspect B4: Labour Standards** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to preventing child and forced labour. | Human Capital Management |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | |
| **Aspect B5：Supply Chain Management** | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Green Procurement |
| B5.1 | Number of suppliers by geographical region. | Key Performance Indicators – Social Aspect |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. | |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Green Procurement |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | |
| **Aspect B6: Product Responsibility** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Green Ship Technology |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Key Performance Indicators – Social Aspect |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | Green Ship Technology |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | |
| B6.4 | Description of quality assurance process and recall procedures. | |
| B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | |

| General Disclosure | Content | Section |
|---|---|---|
| **Aspect B7: Anti-corruption** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to bribery, extortion, fraud and money laundering. | Green Ship Technology |
| 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. | |
| B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | |
| B7.3 | Description of anti-corruption training provided to directors and employees. | |
| **Aspect B8: Community Disclosure** | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Fostering Harmonious Communities |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | |
| B8.2 | Resources contributed (e.g. money or time) to the focus area. | |

| Climate-related Disclosures | | Section |
|---|---|---|
| I. Governance | | |
| 19. An issuer shall disclose information about： | | |
| (a) | the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: ； | Climate-Related Disclosures The Group has not yet incorporated climate-related performance indicators into its compensation policy. We will explore the feasibility of enhancing the compensation policy. |
| (i) | how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; | |
| (ii) | how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; | |
| (iii) | how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; | |
| (iv) | how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and | |
| (b) | management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: | |
| (i) | whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and | |
| (ii) | whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. | |

| Climate-related Disclosures | | Section |
|---|---|---|
| II. Strategy | | |
| 20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: | | |
| (a) | describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; | Climate-Related Disclosures |
| (b) | explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; | |
| (c) | specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and | |
| (d) | explain how the issuer defines 'short term, 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. | |
| Business model and value chain | | |
| 21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: | | |
| (a) | a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and | Climate-Related Disclosures |
| (b) | a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated. | |

| Climate-related Disclosures | | Section |
|---|---|---|
| Strategy and decision-making | | |
| 22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: | | |
| (a) | information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: | Climate-Related Disclosures Since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain. |
| (i) | current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; | |
| (ii) | current and anticipated adaptation and mitigation efforts (whether direct or indirect); | |
| (iii) | any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and | |
| (iv) | how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and | |
| (b) | information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a). | |
| 23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a). | | Not applicable |

| Climate-related Disclosures | | Section |
|---|---|---|
| Financial position, financial performance and cash flows | | |
| 24. An issuer shall disclose qualitative and quantitative information about: | | |
| (a) | how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and | Climate-Related Disclosures<br><br>We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve. |
| (b) | the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. | No significant risk of a material adjustment within the next annual Reporting Period. |
| 25. The issuer shall provide qualitative and quantitative disclosures about: | | |
| (a) | how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: | Climate-Related Disclosures<br><br>We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve. |
| (i) | its investment and disposal plans; and | |
| (ii) | its planned sources of funding to implement its strategy; and | |
| (b) | how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. | |

| Climate-related Disclosures | | Section |
|---|---|---|
| Climate resilience | | |
| 26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: | | |
| (a) | the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: | Climate-Related Disclosures |
| (i) | the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; | |
| (ii) | the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and | |
| (iii) | the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; | |
| (b) | how and when the climate-related scenario analysis was carried out, including: | |
| (i) | information about the inputs used, including: | |
| (1) | which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; | |
| (2) | whether the analysis included a diverse range of climate-related scenarios; | |
| (4) | whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; | |
| (5) | why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; | |
| (6) | time horizons the issuer used in the analysis; and | |
| (7) | what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); | |
| (ii) | the key assumptions the issuer made in the analysis; and the reporting period in which the climate-related scenario analysis was carried out. | |
| (iii) | the reporting period in which the climate-related scenario analysis was carried out. | |

| Climate-related Disclosures | | Section |
|---|---|---|
| III. Risk Management | | |
| 27. An issuer shall disclose information about: | | |
| (a) | the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: | Climate-Related Disclosures |
| (i) | the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); | |
| (ii) | whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; | |
| (iii) | how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); | |
| (iv) | whether and how the issuer prioritises climate-related risks relative to other types of risks; | |
| (v) | how the issuer monitors climate-related risks; and | |
| (vi) | whether and how the issuer has changed the processes it uses compared with the previous reporting period; | |
| (b) | the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and | |
| (c) | the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process | |

| Climate-related Disclosures | | Section |
|---|---|---|
| IV. Metrics and Targets | | |
| Greenhouse gas emissions | | |
| 28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: | | |
| (a) | Scope 1 greenhouse gas emissions; | Key Performance Indicators – Environmental Aspect/Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology |
| (b) | Scope 2 greenhouse gas emissions; and | |
| (c) | Scope 3 greenhouse gas emissions. | |
| 29. An issuer shall: | | |
| (a) | measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; | Key Performance Indicators – Environmental Aspect/Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology |
| (b) | disclose the approach it uses to measure its greenhouse gas emissions including: | |
| (i) | the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; | |
| (ii) | the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and | |
| (iii) | any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; | |
| (c) | for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and | |
| (d) | for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph28(c), disclose the categories included within the issuer's measure of Scope 3greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). | |

| Climate-related Disclosures | Section |
|---|---|
| Climate-related transition risks | |
| 30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks. | Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future. |
| Climate-related physical risks | |
| 31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks | Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future. |
| Climate-related opportunities | |
| 32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. | Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future. |
| 33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | |

| Climate-related Disclosures | Section |
|---|---|
| Internal carbon prices | |
| 34. An issuer shall disclose: | We have not yet incorporated internal carbon prices into our decision-making processes. We will explore the use of internal carbon prices in the future. |
| (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and | |
| (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; | |
| Remuneration | |
| 35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv). | The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of enhancing our remuneration policy. |
| Industry-based metrics | |
| 36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks. | Not applicable |

| Climate-related Disclosures | | Section |
|---|---|---|
| Climate-related targets | | |
| 37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: | | Climate-Related Disclosures |
| (a) | the metric used to set the target; | |
| (b) | the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); | |
| (c) | the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); | |
| (d) | the period over which the target applies; | |
| (e) | the base period from which progress is measured; | |
| (f) | milestones or interim targets (if any); | |
| (g) | if the target is quantitative, whether the target is an absolute target or an intensity target; and | |
| (h) | how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. | |
| 38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: | | Climate-Related Disclosures<br><br>We will explore the feasibility of verifying the Group's targets by a third party. |
| (a) | whether the target and the methodology for setting the target has been validated by a third party; | |
| (b) | the issuer's processes for reviewing the target; | |
| (c) | the metrics used to monitor progress towards reaching the target; and | |
| (d) | any revisions to the target and an explanation for those revisions. | No revisions were made during the Reporting Period. |

| Climate-related Disclosures | | Section |
|---|---|---|
| 39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. | | Climate-Related Disclosures |
| 40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: | | Climate-Related Disclosures |
| (a) | which greenhouse gases are covered by the target; | |
| (b) | whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; | |
| (c) | whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; | |
| (d) | whether the target was derived using a sectoral decarbonisation approach; and | At present, the target was not derived using a sectoral decarbonisation approach for target setting.<br><br>We will explore the feasibility of purchasing carbon credits to offset greenhouse gas emissions generated during operations. |
| (e) | the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: | |
| (i) | the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; | |
| (ii) | which third-party scheme(s) will verify or certify the carbon credits; | |
| (iii) | the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and | |
| (iv) | any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). | |
| Applicability of cross-industry metrics and industry-based metrics | | |
| 41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer toand consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36). | | Key Performance Indicators – Environmental Aspect//Carbon Emissions – Scope 3 Emissions Inventory and Reporting Methodology |




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CONTIOCEAN ENVIRONMENT TECH GROUP CO., LTD.